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'Zhu Rongji's Biography'

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The following is a full-text translation of the book Zji Rpmgkos Bopgraom Cjomese bu Lap Jsom [7539 2450] and Ho Pin [0149 7340], published by Hong Kong LIEN HO PAO in Chinese 29 Sep - 22 Oct 1993.

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PREFACE

94CM0117A Hong Kong LIEN HO PAO in Chinese 29 Sep 93

[First installment of serialized article by Kao Hsin (7539 2450) and Ho Pin (0149 7340): "Zhu Rongji's Biography"]

[29 Sep 93 p 2]

[Text] Hanging beside the doorway to the Yuelu Academy of Changsha, Hunan, one of the four great academies of the Song Dynasty, is a couplet which reads "More flourishing than this; Only the Kingdom of Chu [B.C.7400-330 country which included present-day Hunan] has talent." It is an indisputable fact that since the 19th century, natives of Hunan have "topped the list" of leading players on the political scene in China. Without bringing up the era of Tseng Kuo-fan and Tso Tsung-tang when "Without Hunan, an army cannot be formed" or Hwang Hsing and Tsai E of the period surrounding the 1911 Revolution, but speaking only of the Chinese Communist Party and the Kuomintang, many famous individuals from Hunan have been creating a stir on the political stage of the Chinese people!

There are fewer Hunan natives in the Kuomintang but the current Vice President, Li Yuan-tsu; the Minister of Justice, Ma Ying-chiu; and the Chairman of the Taiwan Provincial Government, Sung Chu-yu all happen to be Hunanese. The examples in the Chinese Communist government are too numerous to list completely. Mao Zedong, Liu Shaoqi, and Hu Yaobang are all well known. Peng Dehuai, He Long, and Luo Rongheng were three of the ten greatest Chinese Communist generals. Among the highest level of leadership in the Chinese Communist Party today, the Hunanese politician who attracts the most attention is Zhu Rongji.

Although he was listed fourth in the membership list of the Politburo Standing Committee of the 14th National Congress of the Communist Party and is ranked beneath Li Peng in the list of the State Council leadership, no one doubts that among the top leaders of Communist China today, he is the most oriented toward substantive tasks, has the most economic leadership ability and has great control over economic matters in Mainland China. As early as when Deng Xiaoping named him to serve as Vice-Premier in the State Council, when Zhu's party position was only that of Alternate Member of the 13th National Party Congress Central Committee, there were people overseas praising him as "China's Gorbachev." After he ascended without a hitch to the Chinese Communist "leadership core" - the Central Committee Politburo Standing Committee - in 1992, and especially in 1993 when State Council Premier Li Peng had a "serious flu" for a long period and was not closely involved in governmental affairs, people overseas were even more impressed with Zhu's political career.

Back when Zhu Rongji was in charge of Shanghai, this writer pointed out in an essay that regardless of Zhu

Rongji's future political position or political accomplishments and regardless of the future direction taken by China, it is unquestionable that Zhu Rongji will play a key role in the top Chinese Communist leadership.

When Jiang Zemin replaced Zhao Ziyang as General Secretary of the Chinese Communist Party after the "4 June" suppression incident in 1989, an individual who claimed intimate knowledge of the behind-the-scenes political workings of the top Chinese Communist leadership revealed to this writer that old Deng's thoughts on a successor were not only on Jiang Zemin alone and the next person would come from Shanghai. The same person also told this writer that within two years, Zhu Rongji would be promoted to a position in the central government. As it turned out, only one year and seven months after this individual said this, Zhu Rongji went to Beijing to assume the position of State Council Vice Premier. After another one year and seven months, Zhu Rongji's position within the party leaped to membership in the Central Committee Politburo Standing Committee, and his name was listed first among the three new members nominated to the Politburo Standing Committee.

As time passes, Zhu's position becomes more and more prominent, but his political image, actual political views, and factional allegiance within the top Chinese Communist leadership are all still vague and imprecise. His personal history and family background are especially not well-known. The inspiration for writing this book was the hope of providing authoritative information from all angles to allow interested readers to truly understand this person, Zhu Rongji!

CHAPTER ONE: Of the Misfortunes "Widower, Widow, Orphan and Childless," the Zhu Family Is Stricken by Three Out of Four

[29 Sep 93 p 3]

[Text] If it is said that "widower, widow, orphan, and childless" represent the four greatest misfortunes that can befall mankind, then Zhu Rongji and his family encountered three out of the four. When Zhu Rongji was still a fetus in his mother's womb, his mother became a widow. Losing his mother when he was a young child made Zhu Rongji an orphan. Fortunately his uncle treated Zhu Rongji as his own child, but unfortunately his uncle lost his wife in his middle years.

This tragic family background gave Zhu a difficult childhood and caused him to mature early. The adversity gave him his strong-willed, stubborn, and unyeilding character.

At a meeting of the Ninth National People's Congress in Shanghai on April 23, 1988, Zhu Rongji, as a candidate for mayor, was asked by the delegates at the meeting to describe his own background. He answered everyone's question very frankly, "I am truly a person with a background of suffering. From the time of my early

childhood, my family was quite poor. Only with a scholarship was I able to finish secondary school. Since the time I was in secondary school, I loved literature. Thus, from that time on, I learned something about Shanghai from the literary giants Lu Xun and Ba Jin..."

Zhu Rongji's impoverished background and love of literature became the basis for his closeness with the people of Shanghai.

Zhu Rongji's self discription was reported accurately by the Shanghai TV station and Shanghai's WENHUI BAO. His bitter experiences and his sincere, down-to-earth, personable manner made an excellent first impression on the people of Shanghai. He not only handily won the election for mayor by a large margin of votes but also quickly won the praises of the majority of the Shanghai common people.

Two Generations of Only Sons, the Latter With a Grand Fate

Zhu Rongji's ancestral home was in Ansha town, Changsha county, Hunan Province. At that time, the Zhu clan had only a few mu of poor land there. They were never expected to become wealthy so they did not attract much attention.

At around the middle of the 19th century, Zhu packed up the family and moved to the city of Changsha, now the provincial capital of Hunan. From this time onward, the Zhu family became a bit more prosperous. As of the generation of Zhu Rongji's great grandfather, the Zhu family had already become known within a 100 li in all directions as a famous educated family. The "ten years at the cold window" of backbreaking study put in by Zhu Rongji's grandfather enabled him to pass the imperial examinations successfully and thus obtain an official post in his ancestral homeland. Although he was an extremely low-level official, he began a tradition of eating fine rice and receiving a salary, which generations of the Zhu family had never before experienced.

During the period which followed, Zhu Rongji's grandfather performed his duties well and was appreciated by his superiors. His official career slowly ascended, one step at a time. The most glorious phase of his career was his tour as the magistrate of an area in what is now Henan Province.

Zhu Rongji's father was named Zhu Xisheng. It is said that when he was young, he was cynical but full of ambition. As a youth, he took [the poet] Chu Yuan's line, "All the world is drunk and only I am sober" and called himself "the sober man."

Zhu Xisheng himself was a posthumous child. He was weak and sickly from childhood. During his secondary school years, he already had a severe and lingering illness. At that time, although Zhu Xisheng admired science, he could not but follow his family's wishes and,

while he was still in school, he married a young local girl with whom he had become engaged many years before as an "infant couple."

Before the marriage, Zhu Xisheng's mother already knew that her precious son had consumption. Thus, when the Zhu family had tried medicine, prayers, and asking others for help but all to no avail, they felt that they had no choice but to place all their hopes for their only son to regain health on the shoulders of their new daughter-in-law - because the local people had believed since ancient times in the "cleansing of marriage."

The marriage date of Zhu Rongji's parents was around the end of 1927 or the beginning of 1928. Not long after the marriage, the newly arrived daughter-in-law easily conceived. But while Zhu Rongji was growing in his mother's belly and the Zhu family was rejoicing, they discovered that the new bride's complexion, made rosy by her pregnancy, made a stark contrast with Zhu Xisheng's sickly pallor which grew more sallow each day.

It seemed that the "cleansing marriage" not only did not work but the groom's illness seemed worse each day. The Zhu family could only accept this as the intent of the gods. In the end, Zhu Xisheng coughed blood uncontrollably and died without holding on until his child's birth.

On 1 October 1928, the posthumous child who made Zhu Xisheng rest uneasily in his grave came into the world without difficulty. As soon as the Zhu family saw that the child was male, the elder generation of the Zhu family was even more joyful. They named the child "Changgeng." It is said that the reason for choosing this name was that the elder generation of the Zhu family hoped that this poor child who did not even see his father would derive good fortune from this name, throw off calamity, and live a long and healthy life. Later, this boy who since infancy was always called "Geng Child" by adults was given the proper name of "Zhu Rongji," based on the generational naming pattern of the Zhu family tree.

Experiencing the Horror of "Leftist" Chinese Communism in His Mother's Womb

Those years were the time of "Stir Up the Red." When Zhu Xisheng was still alive, he witnessed the "Ma-ri Incident" [the "Hsu Ko-hsiang Incident"] which occured in Changsha on May 21, 1927.

Around the time that Zhu Xisheng celebrated his new marriage, some local provincial committees of the Chinese Communist Party in Hunan issued an announcement on 24 November 1927, based on the spirit of instructions from the Central Committee, for a general mobilization to violently grasp political power in the whole province. On 1 December it was decided to stage an uprising in Changsha. The uprising was scheduled for 7 - 10 December. This uprising, however, failed to completely take off. At noon on the 10th, the railway workers in Changsha started a strike. At that time, one of

the low-level leaders responsible for the picketing workers was none other than Wang Zhen, who in 1992, as former national Vice-Chairman, vehemently opposed Zhu Rongji's membership in the Politburo. According to reports, among the old leftist leaders in the Chinese Communist Party, Wang Zhen was the one who most disliked Zhu Rongji. After Zhu Rongji became Vice Premier, Wang once yelled out in anger "a Gorbachev sleeps beside us." After Zhu Rongji became a member of the Politburo Standing Committee, Wang Zhen was even more filled with anger. It is said that even up to the time just before his death in 1993, Wang Zhen was still extremely uneasy about the rise of Zhu Rongji, this "Chinese Gorbachev," to the leadership core of Chinese Communist power.

At about the same time that Wang Zhen was participating in the Changsha uprising, Chinese Communist Party peasant troops led by Zhu De, Chen Yi and others started the so-called "Year End Uprising" in southern Hunan. They defeated an attack by Hsu Ko-hsiang's six regiments. Although this battle fire did not reach Changsha, the provincial capital, the news that the "Communist bandits" were going to attack Changsha arrived daily, causing all the military and civilian inhabitants of the city, including all of the Zhu family, to live in daily trepidation of war. It was during this chaotic, frightful time that Zhu Xisheng's marriage was hurriedly celebrated, in a sigh of relief.

Before Zhu Xisheng's last breath, he also lived to see the "Burn and Kill Policy" started by the Hunan Committee of the Chinese Communist Party, following instructions from their leadership. (These four words were taken from a Chinese Communist Party Central Committee document at that time.) The Central Committee of the Chinese Communist Party raised the slogan "turn the petit bourgeoisie into proletarians and then force them to rebel." In Hunan this became a "scorched earth policy." At that time, to ensure that the attacking enemy had no houses to stay in and no roads to use, the Southern Hunan Special Committee under the Hunan Chinese Communist Party suggested that all houses within 30 li on either side of major roads in Hunan and Guangzhou be completely burned and that the County seat Linzhou be destroyed. After this decision was handed down, the vehement opposition of the local masses to this policy and the adamant enforcement of the policy by the local Communist Party leaders finally led to a bloody battle with peasants fighting peasants. Because the "Red Guard Troops" led by the Chinese Communist Party all wore red scarves on their necks, the peasant troops organized spontaneously to oppose the Chinese Communists all put on white scarves.

At that time, all of southern Hunan was a bloody battle between the "Reds" and the "Whites." After the news reached the provincial capital, the people became even more anxious. At that time the Zhu family was already in dire straits but after all they still had a few old houses and would of course have been categorized as "propertied" "petit bourgeoisie." By this time, Zhu Xisheng was already very ill. He knew that he had not long to live. He was not only anxious about how his widow and posthumous child would make a living, he worried about what hardships his widow and child would face in a world of chaos.

Later the Chinese Communist Party admitted that they were excessive during this period in Hunan and blamed it on the results of rule by the "extreme leftist line." Therefore, it can be said that Zhu Rongji, who has become one of China's core political leaders, while still in his mother's womb had already started to experience the hardship caused by the extreme "left" line of the Chinese Communist Party.

CHAPTER I [continued]

[30 Sep 93 p 2]

[Text] A "Little Communist" From Childhood

Although Communist Party troops did not enter Hunan Province again during the period from Zhu Rongji's birth until he was six years old, the Communist Party base area at Jinggangshan was only a few hundred li from Changsha. Therefore, until the Chinese Communists failed in their 1934 effort to "oppose encirclement and suppression" and were forced to implement a "strategy shift," Changsha continued to be the frontline sentry in the Kuomintang's suppression of the Communists.

Since the Communists admitted that the burn and kill policies of their peasant troops in the late 20°s were "excessive," the propaganda in the cities of Hunan that Communists "share product and share wives," "burn, kill, rob and plunder," "commit every evil deed" naturally became even more "excessive" in the pervasive clamor to "suppress the Communists." Thus Zhu Rongji was exposed to propaganda vilifying communism from the earliest time that he was able to remember. But this anti-communist propaganda not only did not work on Zhu Rongji, it actually made him a more resolute communist as an adult. This is also one of the reasons that the Communist Party was finally able to grasp political power over the mainland in 1949.

As the child of a young widow, with no older brothers, frome early childhood Zhu Rongji was often looked down upon by other children of his age. After Zhu Rongji was mistreated by older children, his mother knew that she and her son would be viewed with disdain, so all she could do was hold him in her arms and weep silently. Particularly when Zhu Rongji was mistreated by children from wealthy families, Zhu and his mother could only swallow their protests and endure it. There was no way that his mother could go to those families seeking justice for her son. After several incidents like this, the very young Zhu Rongji became aware of the vicissitudes of time and came to understand that one

cannot make a way for oneself without strength. He also gradually developed his stubborn determination to be victorious over others.

When Zhu was playing with other kids in the neighborhood, if they were playing the game of good guys chasing bad guys, Zhu Rongji always had to play the "bad guy." At that time, due to the propaganda vilifying and denigrating the communists, the "bad guy" naturally had to be a communist, although the children did not really understand what communism was.

In the game of good guys chasing bad guys, the good guys naturally should win, but as Zhu Rongji's character developed, he became more and more determined to win and less willing to submit to others. Thus when little Zhu Rongji, playing the role of the "Communist bandit," was frequently held down on the ground by several other children, he refused to give up. Even when covered with dirt and wounds, he would pick himself back up and, relying on his own will and courage, would bring down his adversaries. Finally he would chase and beat the other children until they turned tail and ran away. And when the other children suffered "serious injuries," Zhu Rongii's mother was forced to make apologies to their families. After several such incidents when Zhu Rongji played the "Communist bandit" but refused to lose, he attracted the curses of the parents of his defeated adversaries. But at the worst, Zhu Rongji was called "little Communist" or "Communist brat." No one meant it seriously, much less thought that this Zhu Rongji who was often forced to play the role of the "little Communist" during those years would one day really become a communist and even a "big communist" in reality as well as in name.

Zhu Rongji's early childhood life as the only child of a poor helpless widow naturally caused him to begin hating wealthy people at a young age. He especially hated those who were wealthy and unkind. Thus, the propaganda he was exposed to as a young person which vilified and denigrated communism did not have the impact on his young spirit which was expected by those who were implementing the anti-communist policy. In fact, it had the opposite effect. Soon after Zhu Rongji came of age he was exposed to the red propaganda of the communists. He actively joined the red rebellious activities of the communists in the student organizations. This was closely related to his unique childhood experiences. Later, after Zhu Rongji had children, when the next generation played good guys chasing bad guys, the communists naturally became the "good guys" in the game and the Kuomintang became the "bad guys." But in this game the "bad guys" could never win. Whenever Zhu Rongji saw this game being played, he could not help but think of his own childhood.

During Zhu Rongji's childhood, his pitiful widowed mother not only had to shoulder the difficulties of making a living but also had to withstand the contempt of society. This in addition to the terror of war and the frequent need to fight off the aggression of those who would bear ill intent towards a young widow... this nightmare of a life exhausted her physically and mentally and her health deteriorated daily. After struggling through life with her only son for merely ten years, this widow of less than 30 years of age succumbed to illness and followed her husband in death.

Just before her death, Zhu Rongji's mother entrusted Zhu Rongji to the care of his father Zhu Xisheng's elder brother, Zhu Xuefang. In tears she appealed to Zhu Rongji's uncle to do whatever it would take to raise Little Changgeng to adulthood.

Later, whenever Zhu Rongji would reminisce about the bitter hardships of his early years, he would always reveal his unforgettable gratitude for the kind nurturing of the elderly Zhu Xuefang. Due to his uncle's knowledge of scholarship and propriety and his aunt's kindness and sincerity, and their willingness to treat their nephew as their own child, from that time onward, Zhu Rongji was able to progress well in his studies. This shows that there is always a way in this world.

The Youth of an Orphan: Without a Single Toy

It is said that because his family was in poor financial straits, at an age when other children still had no understanding of such matters, Zhu Rongji was already trying to find ways to save money for the family. Thus, he found out very early that the public schools had a scholarship system and that only a very small number of students with top grades could qualify for these scholarships. This is one reason that he poured himself into his studies in his youth. This also encouraged the formation of his character as one determined never to be less than the best.

Apart from his studies, Zhu Rongji loved to read novels, and in the course of his studies, he demonstrated unusually strong memory power. Old Zhu Xuefang reminisced about the novel The Water Margin, of which Little Geng had already memorized several chapters at a very early age and could recite from memory the nicknames of all 36 Heavenly Spirits and 72 Earthly Demons in the book for the adults to hear, to the great surprise of all the neighbors. After Zhu Rongji became a major leader of the Communist Party and an important person with a well-known name, Zhu Xuefang would not reveal his pride in front of everyone, but he could not help but relate story after story about Zhu Rongji growing up under his feet. Of these the stories which the old man most enjoyed telling were the ones about Zhu Rongji's superior memory powers.

Zhu Rongji's great love for books as a child and as a youth was almost obsessive. When he occasionaly received a little spending money from the older generation, he spent it all at used book stalls. He knew which families in Changsha had good books but would not loan them out and which families were generous with their good books. He knew which book stalls demanded

excessive prices, too high for poor people to even consider, and which book stalls had very inexpensive prices because they sold used books obtained by wholesale.

Because Zhu frequently shopped the used book stalls, after a time the owners and clerks all came to know this "poor guy." Zhu Rongji's intelligence and love of learning as well as his modest and good natured personality impressed people. Thus, there were times when Zhu Rongji was able to return books he had finished to the book stalls for a slightly reduced price and, by adding a little money, he was able to exchange them for other books. Zhu Rongji studied first at Chongde Secondary School and then at Guangyi Secondary School in Changsha. During the War of Resistance Against Japan, he was forced to leave Changsha, the provincial capital, and transfer to the No. 8 Secondary School of Dongkou in southeast Hunan. After the victorious conclusion to the War against Japan, Zhu Rongji, who had already entered high school in Dongkou, happily returned to Changsha and, with his superior grade records, was able to enter Hunan's most prominent secondary school, the Provincial No. 1 Secondary School. Later, his wife also attended this school.

The elder Zhu Xuefang once said that "Zhu Rongji's childhood had one special characteristic—he never had a single toy." During the ten years that he and his mother struggled to stay alive together, every time Little Geng became greedily enthralled by the sight of a wealthy family's child playing in the street with a fancy colorful toy, his mother could only hold back her tears and carry her son home. And Zhu Rongji, who matured so early, seemed to understand his mother's practical difficulties as well as her deep emotional suffering. From the time he could remember, he had never asked his mother for anything which he really craved but she had not offered him, whether it was toys or clothing, food or school supplies.

[Begin editor's note] Correction: The "heng" of Luo Rongheng mentioned in yesterday's installment as one of the ten great communist generals should have been printed as "heng" [1854] not "heng" [0997]. [End editor's note]

CHAPTER II: From Red Youth to Anti-Communist Rightist

[1 Oct 93 p 9]

[Text] He Chooses the Chinese Communist "Little Liberated District" for His University

In the summer of 1947, Zhu Xuefang was finally able, with difficulty, to borrow some money and send his nephew and his son to sit for college entrance exams in Shanghai. After the "three sessions" of exams were completed and the notices were received, both cousins "made the cut." And Zhu Rongji had killed two birds with one stone, as he was accepted by both Qinghua University in Beijing and Tongji University in Shanghai.

Thus, in August of that year, he went to Beiping and formally enrolled in the Electrical Engineering Department of Qinghua University to begin four years of university life.

Right at the time when Zhu Rongji had just entered Qinghua University, the Central Committee of the Chinese Communist Party sent Mao Zedong's essay "The Present Situation and Our Tasks" by secret telegram to leaders of the underground Chinese Communist Party organizations in the government-controlled areas. The essay said "Due to the encroachment of American imperialism, the oppression by Chiang Kai-shek, and the correct direction of the party in resolutely protecting the interests of the masses, the party enjoys the sympathy of the broad masses of the working classes, peasant classes, urban petit bourgeoisie and middle class bourgeoisie. Because these masses suffer from hunger and political oppression, and because Chiang Kai-shek's civil war against the people has robbed the people of any way to live, they are continuously rising up in struggle against U.S. imperialism and against Chiang Kai-shek's reactionary government. Their basic slogan is a call against hunger, against persecution, against civil war, and against U.S. interference in China's internal affairs." "Oppose hunger, oppose persecution, and oppose civil was the slogan used by the students of Qinghua University when they held a university-wide strike from classes and demonstrated in May 1947. After they received the affirmation of Mao Zedong, the underground Communisty Party organizations at Qinghua University and other schools were encouraged. They whipped up a flurry of red activities among the students all over Beiping, especially at Qinghua University, so that some people called the Qinghua University campus the "Little Liberated District."

In response to the active canvassing and recruitment efforts of the underground Chinese Communisty Party members at Qinghua University, within a few days after entering the university, Zhu Rongji agreed to do more "progressive work." During the next period, among the group of students who cared about their grades, Zhu Rongii was the most enthusiastic supporter of the underground Chinese Communist Party led "Anti-Chiang Patriotic Students' Movement," although he was not like some students who "gave everything over for the party to arrange," with no regrets over abandoning their studies. Furthermore, not long after he entered the university, he formally joined the "New Democratic Youth Alliance," a peripheral organization of the underground Chinese Communist Party in Beiping, although he was only an ordinary member of the Alliance, without any office within the organization.

An essay written by an overseas expert on Chinese Communist personnel once described Zhu Rongji as having served as the chairman of the Chinese Communist-led red student organization at Qinghua University during his junior year there, but the section on Zhu Rongji in the "Brief Biographies of the Leadership of the

14th Central Committee and the Central Military Commission of the Chinese Communist Party" issued by the Chinese Communist New China News Agency in October of 1992 only mentioned that he joined the "New Democratic Youth Alliance" during his university years and joined the Chinese Communist Party in October of 1949. It did not include anything about him serving as chairman of the Qinghua University students' organization. In describing his background to the Shanghai Municipal People's Congress in April of 1988, Zhu Rongji himself only mentioned that he had participated in the student movement while he was at school and said nothing about having held the office of chairman of the students' organization.

A classmate from the same year as Zhu Rongji in the Electrical Engineering Department at Qinghua University pointed out clearly that Zhu Rongji at that time was only an enthusiastic ordinary member of a Chinese Communist Party peripheral organization in the red student movement. His position was actually far removed from the central leadership organization of the underground Chinese Communist Party.

However, the Brief Biography of Zhu Rongji circulated by the Chinese Communists to the outside world states that Zhu "entered the Communist Party in October 1949, started working in December 1948, graduated from the Electrical Engineering Department of Qinghua University with a major in electrical manufacturing, and is a senior-level engineer. From 1947 to 51, he studied electrical manufacturing in the electrical engineering department at Qinghua University and also participated in the 'New Democratic Youth Alliance'..."

A Representative of the Chinese Communist "Qinghua Gang"?

Although Qinghua University was a natural sciences and engineering school, it was also a key base for the underground activities of the Chinese Communist Party in Beiping from the end of the War of Resistance Against Japan up to the peaceful takeover of Beiping by the Chinese Communists. For a period, it was called the "Little Liberated District." Thus there were quite a few students at the school responsible for the Chinese Communist red student movement.

The top leader among the leadership of the group of Chinese Communist red student movement elements which included Zhu Rongji still holds a ranking position in the Chinese Communist political realm. That person is Wang Hanbin, currently alternate member of the Chinese Communist Central Politburo and Vice-Chairman of the Standing Committee of the National People's Congress.

From 1948, Wang Hanbin was a member of the Academic Committee and the Secretary of the University Committee of the underground Chinese Communist Party in Beiping. But Zhu Rongji did not know this until

after the Chinese Communists took over the government. While Zhu was at Qinghua University, every time he participated in an activity to oppose the Kuomintang's political power, he was controlled and led by Wang Hanbin alone. Therefore, when Zhu Rongji and Wang Hanbing both joined the Politburo of the Chinese Communist Party at the 14th National Party Congress in October 1992, although Zhu Rongji's rank was higher than Wang Hanbin's, Zhu still showed great respect for this man who was once his supervisor long ago.

Another point worth mentioning is that outsiders have no way of knowing why Zhu Rongji chose Qinghua University when he was accepted at both Beiping Qinghua University and Shanghai Tongji University back in 1947. If he had entered Tongji University, then when he joined the Chinese Communist red student movement he would not have been led by Wang Hanbin but by Qiao Shi, now Chinese Communist Politburo Standing Committee member and Chairman of the National People's Congress. During that period, Qiao Shi was assigned by the Academic Committee of the Shanghai underground Chinese Communist Party as the General Secretary of the Tongji University Communist Party Branch. The level of enthusiasm in the Tongji University student movement which he led was by no means inferior to that at Beiping's Qinghua University.

However, although Zhu Rongji chose Qinghua University in Beiping, the red student movement organization in which he participated at Qinghua University was led by the Southern Bureau (later called the Shanghai Bureau) of the Chinese Communist Party. This was also something which Zhu Rongji did not know until after the Communists took over the government. Of the "new central leadership group of the party" formed at the 14th National Party Congress of the Chinese Communist Party and the government leadership confirmed at the subsequently convened 8th National Party Congress, all of those chosen to serve as both "Party and State Leaders" were originally from the same faction of student movements, whether it was the Shanghai student movement or the Beijing student movement. The point of raising this issue is that a significant number of the currently serving leaders of the Chinese Communist Party originated in the red student movements. Those who joined the red student movement in Shanghai include: Jiang Zemin, Qiao Shi, Qian Qichen, and Wu Xueqian. Those who joined the Beijing student movement include Zhu Rongji, Chen Xitong, Li Ximing, Wang Hanbin, Peng Peiyun, and Ren Jianxin.

The common people in the mainland talk of two factions controlling the State Council, the "Soviet Student Faction" and the "Qinghua Gang." The representative of the "Soviet Student Faction" is Li Peng. Some also consider Jiang Zemin an ideal example of the "Soviet Student Faction" because he also studied in the Soviet Union. The representative of the "Qinghua Gang" is Zhu Rongji. When State Councilor Li Guixian, who had studied in the Soviet Union, was removed from his

position as Governor of the People's Bank Of China in early July of 93 and the position was given to Zhu Rongji, who was in charge of the rectification of the finance and treasury systems, the media overseas started a new flurry of news that the "Qinghua Gang" had defeated the ""Soviet Student Faction."

Although this type of division is over simplified, it is an indisputable fact that there are many Qinghua University graduates in the current Chinese Communist political scene, and many of these hold very important positions. This may have a subtle effect upon Zhu Rongji's current and future "political ecology."

From Red Youth to Anti-Communist Rightist

Relying upon scholarship funds, Zhu Rongji completed his studies at Qinghua University in 1951. After he was graduated, he was assigned to the Planning Section of the Northeast People's Government's Ministry of Industry to serve as Planning Office Vice Director. This position is roughly equivalent to the rank of Vice Section Chief in the Chinese Communist official ranking system. At that time, Zhu Rongji was only 23 years old.

A former cadre of the State Council revealed to this writer that when Zhu was working in the Northeast, both the Chairman of the Northeast People's Government, Gao Gang, and the Vice Chairman, Li Fuchun, were quite impressed with Zhu Rongji. In November 1952, Gao Gang, as a Vice Chairman of the Central People's Government and Chairman of the State Planning Commission, transferred Zhu Rongji to the State Planning Commission, to work in the Fuel and Power Bureau and the General Bureau. In September 1954, Li Fuchun replaced Gao Gang, becoming a Vice Premier of the State Council and Director of the State Planning Commission. Zhu Rongji then became Vice Director of the Planning Commission Director's Office. Actually he served as Li Fuchun's secretary. At that time Gao Gang was one of the highest Chinese Communist leaders. It remains to be shown whether he had the opportunity to "appreciate" the work of low-level cadre Zhu Rongji. It is believable, however, that Zhu Rongji was the theoretical assistant to Li Fuchun. At least the two knew each other very well.

There is another theory which claims that Zhu Rongji's transfer to the capital had very little to do with Gao Gang and that it was Li Fuchun who took Zhu with him to the capital in August 1952 after Li was relieved of his office in the Northeast Region.

Whether it was Gao Gang or Li Fuchun who first took a liking to Zhu Rongji, analysis of the public biography issued by the Chinese Communists and of the timing of the establishment of the State Planning Commission confirms that Zhu Rongji was brought to the capital by one or both of these two people.

The brief biography of Zhu Rongji issued publicly by the Chinese Communists only mentions that when he was

working in the Northeast, he served as Vice Director of the Producion Planning Office of the Planning Section and that he was transferred to the State Planning Commission in 1952. The State Planning Commission was set up by Gao Gang and Li Fuchun and was formally established in November 1952. During the process of setting up the State Planning Commission, Gao Gang and Li Fuchun each nominated several cadres from the Northeast Region to transfer to Beijing. At that time, because the Northeast had been the "Old Liberated Region" of the Chinese Communists, the Northeast People's Government had already accumulated several years of experience in economic construction and management, even before the Chinese Communists took over the national government. Thus it was also the hope of Mao Zedong, Zhou Enlai and others to bring a group of expert cadres who understood economics and had some experience from the Northeast to Beijing.

On June 8 1957, the Chinese Communist political power began an "anti-rightist" movement to "bring the snakes out of their lairs," personally guided by Mao Zedong and with the strong support of all the core Chinese Communist leadership, including Deng Xiaoping. In the beginning, the targets for struggle were the democratic personages from outside the party who had helped the Communist Party to "rectify incorrect work styles." Thus, Zhu Rongji, as a party member and a cadre of the national government, did not feel threatened by this movement. He continued as before, drafting documents on economic policy for Li Fuchun and other leaders in the State Planning Commission and writing essays exploring economic theory. At the same time, he stubbornly persisted in his own opinions, frequently expressing at meetings or with his colleagues his informed views opposing economic leaps forward and opposing the establishment of unrealistically high goals. On September 2 of that year, the Central Committee of the Chinese Communist Party issued a document entitled "Instruction of the Chinese Communist Party Central Committee on the Solemn Treatment of Rightist within the party," which announced that 3,000 rightists had been identified within the party.

At this time, Zhu Rongji was not included in the list of 3,000. However, the official public opinion tools of the Chinese Communist Party were continuously calling for "the maintenance of purity within the party" and for "victory over undue leniency." Some people in the State Planning Commission Director's Office where Zhu Rongji worked started to "break through sensibilities." Those who usually did not agree with Zhu's views identified his attributes such as "confidence in his own great talent," "sees himself as right," and "does not consider the top leadership" as rightist crimes and his usual behavior patterns such as "stubbornly persisting in his own views" and "enjoying raising objections" as direct attacks on the party.

Possibly it was in order to protect Zhu Rongji that Li Fuchun and the leadership of the State Planning Commission relieved Zhu Rongji of his position as Vice

Director of the Director's Office, but at the same time they reassigned him as Vice Director of the General Section of the State Planning Commission's Machinery Bureau. It looked like a "horizontal reassignment" but the move implied that he was not suited to working next to central government leaders. (At that time, Li Fuchun was State Council Vice Premier of the State Council as well as Director of the State Planning Commission.)

The situation developed to a point on September 11, 1957 when the front page leading article of the PEO-PLE'S DAILY was an editorial stating, "If we allow rightist elements to exist within the party, they will link up with the rightist elements outside the party and attack us from within and oppose us from within."

Under the exhortation of this editorial, the struggle against rightists within the party advanced to a higher level. A target quota for catching "rightists" was established for every level of party governing organization and working unit. Whoever exceeded the quota would receive glory. In this environment, Zhu Rongji was finally in a situation which he could not escape, although he went through countless episodes of thought examination and "helpful criticism" at large and small meetings.

The "free airing of views" movement was initially Mao Zedong's so-called "plot" to "entice the snakes out of their lairs." Zhu Rongji was only one small "snake" out of 550,000 snakes officially labeled as such by the Chinese Communist Party. Because Zhu's position at that time was a Vice Director of a Section, neither Mao Zedong nor Deng Xiaoping could have noticed him. Why Li Fuchun, who then held the high position of Chinese Communist Party Politburo member and Vice Premier of the State Council, did not speak up in Zhu's behalf is still a political riddle. Perhaps even Zhu Rongji himself has yet to find a correct answer to this up until now.

Zhu Rongji Is Only One of 550,000

In April 1958, Zhu Rongji was formally labeled a "rightist" in an announcement by a State Council organ. At the same time, the Chinese Communist party Central Committee's State Organization Committee expelled Zhu from the party, on the recommendation of the State Planning Commission Party Branch. A retired Chinese Communist cadre who worked at the State Planning Commission at that time recalls that when Zhu Rongji was publicly labelled a "rightist," he wept on the spot and said that he had never opposed the party, but he was still ordered to follow the party decision and be a "rightist" for a time, to fulfill the "target above the quota" of rightists within the party.

This left-wing young man who had started participating in the Chinese Communist red student movement in 1947, after he entered university, never dreamed that ten years after joining the party he would be labeled as an "anti-Party Rightist." A person close to Zhu Rongji says that Zhu has told others that he was labeled a rightist

because he had made several comments criticizing the national plan as not realistic. But there is also a rumor in the mainland that the reason Li Fuchun was not able to protect Zhu Rongji was that, during the "free airing of views," Zhu had made some comments defending Gao Gang, and Gao Gang was not able to save himself during the power struggle later.

Condemned by his words, Zhu Rongji was sent down to the countryside to work on a farm for five years. It is said that this left him with a serious muscle strain. In 1962, it was announced that Zhu's "rightist" label had been removed, due to his good "thought reform." He was first assigned to the part-time school for cadres attached to the State Planning Commission as a teacher and later to the State Planning Commission General Administration Bureau as an engineer.

Although Zhu Rongji was rehabilitated after experiencing his rightist problem, even when he was promoted to State Council Vice-Premier in 1991, there were still people who would not let go of this point, insisting that Zhu Rongji had been a rightist and was politically unreliable. Ironically, the one who made such efforts to elevate Zhu Rongji was Deng Xiaoping, the same Deng Xiaoping who actually carried out Mao Zedong's antirightist movement in the 1950's, as Deng Xiaoping was Director of the Chinese Communist Anti-Rightist Office at that time.

One phenomenon which may make Zhu Rongji himself feel exasperated is that, although he dared to describe his misfortunate experience in being "mistakenly labeled" a "rightist" to the Shanghai People's Congress upon formally assuming the office of mayor, the official Brief Biography of Zhu Rongji publically issued by the Chinese Communist Party does not mention a word of this.

CHAPTER III: Starting Over 24 Years Later As Deputy Section Director Once Again

[2 Oct 93 p 2]

[Text] Zhu Gains Valuable Experiences During Five Years of Reform Through Labor

Although Zhu Rongji was labelled an "anti-party rightist" in 1958 and was expelled from the party, among the 550,000 rightists and countless "right-leaning opportunists," Zhu Rongji's fate in those years was far from the worst. The memoirs published during the past few years by official mainland publications of rightists from that time reveal that most of those from state organs who were labeled as rightists were sent to reform through labor, but the duration of their reform through labor tended to be short. Many of them only labored for a period of one year to three or five years and were then gradually readmitted to their original work units to be "controlled internally."

Zhu Rongji's labor stint at the rightist farm was relatively short. It is unclear whether he was secretly protected or there were other reasons for this. His work unit

then took him back for "reassignment of duties." From that time on, he became an ordinary instructor at the part-time school attached to the State Planning Commission.

Although Zhu Rongji's stint of reform through labor was short, it left him with lingering psoatic muscle strain.

While working as an instructor, Zhu Rongji made ample use of the foundation in literature, history and philosophy which he had acquired in secondary school and the foundation in mathematics, physics, and chemistry which he had acquired in university. Thus the other instructors and students at the school called him a "multiple talent" and an "instructor for everything." At the same time, because he was an instructor, he continuously supplemented his own knowledge of culture and theory. In this way, Zhu Rongji really was more fortunate than the many other rightists who spent a long period undergoing reform through labor on farms.

In 1962, because Zhu Rongji had shown good "thought reform," his "rightist" label was removed. Not long afterward, he stopped working as an instructor and was called back to the State Planning Commission to perform professional duties in the General Bureau of the National Economy. Because he was still considered an "individual under internal control," he was not given any administrative duties but was given the professional title of engineer.

In the middle of the "cultural revolution," when the virulent revolutionary criticism movement against the capitalist roaders in power had reached the end of a phase, the "cleansing of class ranks" began. Thus, in 1970 Zhu Rongji was sent to the countryside to a "May 7" cadre school under the State Planning Commission for another period of reform through labor. This time it was for five years. During those five years, he fed pigs, shepherded goats, and cleaned latrines as well as serving as mess cook. He also learned farming skills such as how to transplant rice seedlings, harvest wheat, and manage the fields.

In 1975, government organizations and schools, which had been paralyzed for years, began to recover to an extent, although political pressures influencing all of mainland China had not yet subsided. At that time, the cadres sent down to "May 7" cadre schools from party and state organs in Beijing began returning a few at a time to their original posts. Because Zhu Rongji had a difficult time finding an appropriate position in the State Planning Commission, he was relegated to a power and communications company under the jurisdiction of the Ministry of Petroleum Industries. After arriving at the power and communications company, for some time Zhu Rongji was only assigned to do clerical work, with the title of Deputy Office Director (Deputy Section Director level).

At that time, Zhu Rongji looked back on his experience when he had just been graduated from university and was assigned on his first day of work as Deputy Director of the Office of Production Planning under the Planning Division. Now 24 years later, here he was once again a Deputy Section Director level cadre. He could not help but sigh at his "unfortunate fate." But apart from sighing, Zhu Rongji had not altered his strong-willed disposition. He was determined not to bury his ambition beneath a pile of paperwork of questionable utility. After a period of discussions with his superiors and testimony about "going to the arduous basic working level to improve one's thinking," the authorities of the company finally agreed to let Zhu Rongji transfer out of the administrative office to perform technical work at the basic level.

From the end of the "cultural revolution" up to 1978, Zhu Rongji, as a Deputy Director Engineer, led a group of young apprentices to bore tunnels through mountains, cross great rivers, erect power transmission lines, and install transforming equipment wherever there were oil fields. From designing blueprints to overseeing construction, from pulling high tension power lines to burying power line conduit, Zhu Rongii demonstrated ability in both "literature and battle [theory and practice]." He never put on intellectual airs. Thus he earned high marks from all ranks at the work site. Zhu Rongji himself appears to have fond memories of his experiences during this long period of construction work in the field. He felt that this type of work not only allowed him to make full use of his strengths in mental labor but also to fully embrace the pleasure of physical labor through participation in the construction process.

Finally Regaining Party Membership in 1978

In early 1978, the Chinese Academy of Social Sciences, newly created out of the Chinese Academy of Sciences, was rushing to establish a new set of research institutes to adapt to the new environment with "economic development at the center." Ma Hong, the famous Chinese communist economist who was serving as Deputy Director of the Chinese Academy of Social Sciences at that time, immediately established an Institute for Industrial Economics under the Chinese Academy of Social Sciences. He personally served as leader of the Institute and began an extensive search for talent to staff it.

Before long, Ma hired Zhu Rongji and assigned him as Deputy Director of the Research Office. (This title is the equivalent of a county or regiment leader or a Division Director in a state organization; the highest position Zhu had held prior to being labeled a rightist was Deputy Division Director.)

In September 1978, the Chinese Communists decided to conduct reexaminations of all those labeled as "rightists" and correct those who were "mistakenly labeled" as rightists. At that time, Hu Qiaomu, the first Director of the Chinese Academy of Social Sciences, had an especially supportive attitude towards the move to rehabilitate rightists. This caused Ma Hong to remove the

so-called "political historical blemish" sheet from Zhu Rongji's file. Then, with Hu Qiaomu's approval, Ma Hong led the way to reinstate Zhu Rongji's party membership at the Institute of Industrial Economics. While he was at the Institute of Industrial Economics, Zhu Rongji apparently did not publish much. The only piece known of by the outside world was an essay expressing differences with the unrealistic economic goals blindly set by the Chinese Communist leadership headed at that time by Hua Guofeng. At the same time he also suggested that the central government establish a set of stringent systems to strictly punish bribery and corruption.

It is very interesting that while Zhu Rongji was the Director of the Research Office of the Institute of Industrial Economics of the Chinese Academy of Social Sciences, Zhu Jiaming, a young mainland economist who was an important member of Zhao Ziyang's inner circle, served for a time as Zhu Rongji's assistant and secretary.

Zhu Jiaming was a young economist who was always highly thought of by the upper Chinese Communist leadership while Zhao Ziyang was in charge. Later, because he was absolutely opposed to the "June 4" 1989 suppression carried out by the Chinese Communist regime, he and Chen Yizi and others drafted the "Declaration of Six Points on the Current Situation" by "Three Institutes and One Organization" which was openly broadcast at Tiananmen Square when the university students were on hunger strike. The declaration demanded that the Chinese communists "publicly reveal the internal divisions and background of the policy making process of the top leadership," "convene a special meeting of the National People's Congress" and "convene a special meeting of the Chinese Communist Party."

From that time on, Zhu Jiaming and the others became so-called "villains behind the rebellion." The highest ranking behind-the-scenes supporter of this "villain within the Party" was Zhao Ziyang.

It is even more interesting that when Zhu Rongji first joined the Institute of Industrial Economics, he had not yet been reinstated into the Communist Party. At the Institute of Industrial Economics branch party meeting where Zhu was reinstated to the Party, Zhu Jiaming very solemnly voted to approve Zhu's reinstatement.

From that time onward, although Zhu Jiaming and Zhu Rongji were both eventually transferred out of the Institute of Industrial Economics, they maintained a close relationship for a long period up until Zhu Rongji was sent to work in Shanghai.

At that time, both Zhu Rongji and Zhu Jiaming excelled at macroeconomic theory. At the same time, both were proud of their ability and harbored strong political ambitions. Before going to work in Shanghai, Zhu Rongji highly valued two young economists, Zhu Jiaming and Lou Jiwei. When Zhu Rongji received the official notification transferring him to Shanghai, Zhu Jiaming did not agree to go with him, because he felt that his views on economic reform differed from those of Zhu Rongji. Thus it was Lou Jiwei, who was not nearly as well thought of as Zhu Jiaming, who transferred to Shanghai with Zhu Rongji. Not long after arriving in Shanghai, Lou Jiwei was appointed as Director of the Municipal Committee for Economic Reform. After Zhu Rongji was promoted to a high level post in Beijing, Lou Jiwei followed close behind and soon afterward was promoted to a vice ministerial rank post as Deputy Director of the State Council's Bond Management Commmittee led by Zhu Rongji. [End of Installment 4]

CHAPTER III [continued]

[3 Oct 93 p 2]

[Text] Stepping Up to the Top Chinese Communist Leadership Ranks

From the State Economic Commission In March of 1978, Hua Guofeng assumed the post of Premier at the Fifth National People's Congress and formally announced the reinstatement of the State Economic Commission with the former Minister of Petroleum Industries, Kang Shi'en, as Chairman of the Commission and Vice Premier of the State Council. The next year, Kang Shi'en transferred Zhu Rongji to the State Economic Commission to serve as Director of the Fuel and Power Office. Over one year later, Zhu Rongji was promoted to Deputy Director of the Bureau of General Administration. Not long afterward, he was once again given the title of senior engineer.

In August of 1980, Kang Shi'en unfortunately was implicated in the sinking of the "Bohai No. 2" affair. In March of 1981, he was relieved of his post as Chairman of the State Economic Commission and in May of 1982 he was relieved of his post as Vice Premier and reassigned to the Standing Committee of the Central Advisory Commission, with a diminished political role from that time onward.

Fortunately, Zhu Rongji's promotion was not impacted upon by this incident.

Promotion to Ministerial Level Position

On May 4, 1982, the 23rd Session of the Standing Committee of the Fifth National People's Congress passed "Decision on the Implementation of Reform of the Ministries and Commissions under the State Council" which decided to combine eight institutions under the State Council, the State Economic Commission, the State Agricultural Commission, the State Machine Industry Commission, the State Energy Commission, the Ministry of Building Materials Industries, the State Administration for Standards and Planning, the State Administration of Measurements, and the State Patent

Administration, into a new State Economic Commission. Zhang Jingfu, who had been serving as party secretary of Anhui Province, was brought back to Beijing to serve as Chairman of the new State Economic Commission and as State Council member. It was announced that Zhu Rongji was assigned as a member of the new State Economic Commission and Director of the newly established Bureau of Technical Reform.

In October 1983, Zhang Jingfu obtained approval from the Central Organization Department of the Chinese Communist Party to promote Zhu Rongji to Vice Chairman of the State Economic Commission (a vice ministerial rank position) and member of the Commission party branch leading group. This laid the foundation for Zhu Rongji to join the highest echelon of the Chinese Communist leadership.

Promoted Four Steps At Once

In September 1984, Zhang Jingfu remained a State Council Member and relinquished his position as Chairman of the State Economic Commission, not to Zhu Rongji but to Lu Dong, another Vice Chairman with more seniority than Zhu Rongji. Fortunately, Lu Dong's promotion allowed Zhu Rongji to become a higher ranking Vice Chairman and to become a Deputy Secretary of the Commission Party Branch.

In October 1992, at the First Plenary Session of the Central Committee of the 14th Chinese Communist Party Congress, Zhu Rongji joined the membership list of the Politburo Standing Committee. Thus, pet ple said that he was "promoted three ranks at one time." Actually, at the 13th National Party Congress in 1988, Zhu Rongji was only an alternate member of the Central Committee. Between this rank and that of Politburo Standing Committee member there are three other levels, Central Committee member, Politburo alternate member, and Politburo member. Thus, it can be said that Zhu was promoted "four steps at once" at the 14th National Party Congress.

The Riddle of Deng Xiaoping's Secretary

The December 1992 issue of the Hong Kong magazine "Opening" asked "How is it that in the space of ten short years Zhu Rongji rose from a Bureau level official to the rank of high level policy maker? A journalist who had interviewed Zhu Rongji many times and reportedly also has a certain personal relationship with him says one reason is that Zhu Rongji once served as Deng Xiaoping's secretary."

After this news was published, it did not appear to attract too much attention. One half year later, Hong Kong's "Economic News" "revealed" this news again in a revised form. This time it caught the attention of the rest of the media. At that time, Li Peng had been ill for quite some time and this news was used as a journalistic footnote to the predictions for a promotion for Zhu Rongji. Before long, the Chinese language media in the

United States and Taiwan as well as some Western language media in other countries reprinted this news.

Zhu Jiaming, a person familiar with the behind the scenes workings of the Chinese Communist leadership, says that he had never heard of this information. Several members of the Chinese Communist high level cadre circles have said that when Zhu Rongji was a cadre at the State Economic Commission he may have been summoned by Deng Xiaoping to report on his work or on the economic situation. He may even have been summoned by Deng quite frequently during a certain period, but this does not mean that he was Deng's secretary.

Giving Consideration To Serving as Xu Jiatun's Deputy

At the 7th National People's Congress in April 1988, Li Peng was formally named as Premier of the State Council. He then undertook a fairly large scale reform of the organizations under the State Council. The State Planning Commission and the State Economic Commission were abolished and Politburo Standing Committee member and Vice Premier Yao Yilin was appointed Chairman of a new State Planning Commission designated to fulfill the functions of both of these former Commissions.

When the decision was made to eliminate the State Economic Commission, the Politburo first decided to have Commission Chairman Lu Dong "retire to the second line" due to his age. Thus, at the 13th National Party Congress he was only "elected" to membership in the Central Advisory Commission. The Vice Chairmen of the Commission were each reassigned to other Ministries or to local positions based on their age and ability.

Beginning around June of 1987, Zhu Rongji started looking for a new path to advancement. Zhang Jingfu asked him whether he would be willing to serve in Hong Kong as Deputy to Hong Kong and Macao Working Committee Chairman Xu Jiatun (still a Vice Ministerial position). Zhu Rongji indicated that he would be willing. Thus, Zhang Jingfu recommended Zhu to Xu Jiatun, "Zhu Rongji has high standards, strong abilities, and open-minded thinking."

Zhang and Xu agreed. Xu Jiatun made a request to the Central Committee and Zhang made a recommendation to the Central Committee. But after there had been no response for some time from the Central Committee, Xu finally learned that Zhu Rongji had landed an even better assignment. At the 13th Party Congress in October of 1987, Zhao Ziyang and Song Ping, then Director of the Central Organization Department, had already held a formal interview with Zhu Rongji. They told him that the Central Committee had decided to transfer Rui Xingwen, then Secretary of the Shanghai Municipal Party Committee, to work in the Central Secretariat. Jiang Zemin, then Mayor of Shanghai and Deputy Secretary of the Municipal Party Committee, would then be Municipal Party Secretary of Shanghai. Hence, the Central Committee had decided to send Zhu Rongji to

Shanghai to take up Jiang Zemin's former post as Deputy Party Secretary and, as of the next meeting of the Shanghai People's Congress, assume Jiang Zemin's post as Mayor of Shanghai.

CHAPTER IV: Zhao Ziyang's Trusted Follower or Chen Yun's Close Friend

[3 Oct 93 p 2]

[Text] Zhao Ziyang Shakes Up Shanghai

A mainland economic theorist who knows Zhu Rongji well says that when Zhu Rongji was working at the State Econonic Commission, he developed a close relationship with then Premier Zhao Ziyang. Before Hu Yaobang was relieved of his position, Zhao Ziyang came to feel strongly that his views as Premier received the least attention in Shanghai. No matter what the task, whether he went in person or sent a representative, it seemed that his views were somehow always rejected by Shanghai. Thus Zhao Ziyang harbored a long-standing hope that he would some day be able to assign someone he viewed as capable and trusted to Shanghai to "shake it up."

After Zhao Ziyang replaced Hu Yaobang as General Secretary of the party and gained greater personal control over organizational issues, he immediately began working on carrying out this idea.

After Zhao Ziyang discussed mutual views with Zhu Rongji on ways of changing the work situation in Shanghai, Zhao recognized that Zhu could not only solve Shanghai's economic problems but could also adapt to the complex political situation there.

Throwing Rocks To Test the Waters

Those who subscribe to this theory offer the following evidence as proof: While Zhao Ziyang was Premier, he sent Zhu Rongji, as Vice Chairman of the State Economic Commission, to investigate Shanghai several times, while ostensibly researching the reform of medium and large state industries. Actually these arrangements were made for Zhu Rongji to "throw stones to test the waters" in Shanghai. After the decision was made, the top level of Chinese Communist leadership put Zhu Rongji's name on the list of Alternate Members of the 13th Central Committee of the Chinese Communist Party. Zhao Ziyang and then Director of the Central Organization Department Song Ping held a formal interview with Zhu Rongji.

Zhao Ziyang indicated to Zhu that the current reform policies had already determined that the central government could no longer rely completely on the old planned economy methods of the past and use administrative measures to stimulate Shanghai's economy. What the central government could do is immediately turn over responsibility for public financing to Shanghai.

This was exactly what Zhu Rongji wanted. He realized that with the promise of responsibility for public finance, he would have far greater authority than any previous mayor of Shanghai.

There are different views on whether Zhu Rongji was nominated for the position of mayor by Zhao Ziyang. Those who oppose the theory that Zhu was a trusted follower of Zhao Ziyang ask if this were the case, how was it that Zhu was able to take over Jiang Zemin's position as General Secretary of Shanghai after the June 4 incident, thus becoming the only leader in China to hold "in one fist" both the top government position and the top party position in a province or direct-ruled municipality.

Another possible underlying reason for Zhu Rongji's nomination for mayor of Shanghai and subsequent smooth approval by the top Chinese Communist leadership is that Song Ping, who had just become Director of the Organization Department and had direct responsibility for examining and promoting provincial level cadres, was pushing for Zhu.

Whether it was Song Ping (or Song Ping and some other people together) who nominated Zhu Rongji is still not possible to determine. But regardless of who originally nominated Zhu, the high-sounding reasons given were as follows: Zhu Rongji is an individual who understands economic theory and also has economic management experience. At the time Shanghai's greatest problem was the reform of large state-owned enterprises, and Zhu Rongji's main responsibility at the State Economic Commission was just this task. He had already come up with a persuasive method of reforming enterprises, and he had been waiting for an opportunity to put it into practice. Zhu Rongji's disadvantage in seeking an assignment as a local government leader was his lack of understanding of agriculture but an assignment to an industrial area like Shanghai would play to his strengths and avoid his weaknesses.

No Problem With Factions

An individual who served for a long period within the upper ranks of the Chinese Communist leadership and only just recently began speaking out about the top leadership has concluded, based on his understanding of Zhu Rongji and of the organizational workings of the top Chinese Communist leadership, that among the many reasons for Zhu Rongji's ascension to his current status, one very important factor is that Zhu did not belong to any faction within the top Chinese Communist leadership.

The facts have already demonstrated that he has the capability for local administrative leadership but his leadership ability was not demonstrated until the years he worked in Shanghai. The main reason that he was sent to Shanghai at the time was that his qualifications were more "appropriate" than those of the other candidates.

Another issue discussed by the media overseas is whether Chen Yun was a supporter of Zhu Rongji.

Actually, one could not be appointed to such as important position as mayor of Shanghai without a word from Chen Yun. Particularly if Chen Yun had opposed him, even if Zhu Rongji really had been Deng Xiaoping's secretary, he would not have been approved for the position.

The Political Center of Southern China

For thirty or forty years after 1949, Shanghai's position as economic center of the Asian Pacific region, particularly as a center for finance and commerce as well as processing industries, was completely lost. Although it can be said that Shanghai is still the most important industrial area of mainland China, the greatest change in Shanghai is its evolution from the economic center of the Far East to the political center of southern China.

After the era of Deng Xiaoping began, Shanghai's position as the political center of southern China did not weaken. Just as Beidaihe in the North had become the "summer palace" of the top Chinese Communist lead-ership, Shanghai became a kind of "winter palace." Every winter, almost every one of the elderly individuals controlling the real power in the Chinese Communist government, including Deng Xiaoping and Yang Shangkum of the reform faction and Chen Yun and Li Xiannian of the conservative faction, all came to Shanghai to get away from the cold. The gradual result of this was that the party, government and military leadership group of Shanghai had to be acceptable to both factions. Whoever assumed the top leadership rank in Shanghai had to have the ability to avoid offending either faction and please both factions, regardless of the candidate's private attitudes towards economic reform. Therefore, based on the assumption above, when Zhu Rongji was assigned to Shanghai, Chen Yun's impression of him would have at least been described by the words "not bad." In the political struggles of that time, any cadre who did not at least meet Chen Yun's approval would not have been assigned to Shanghai, especially not as the top government or party leader.

The following news has already been proven: When Zhu Rongji's promotion to Vice Premier was announced, he was on a trip overseas. When he returned, Chen Yun met with him in Shanghai and then asked Zhu to return to Beijing on Chen's private plane to assume his new post. At that time, Chen Yun told Zhu Rongji in a very friendly way, "I was very supportive of your assignment as mayor of Shanghai and I am very pleased that you will now be working in the central government." He then gave Zhu these words of advice: "Don't rely solely on your superiors, and don't rely solely on books; rely solely on facts."

CHAPTER IV [continued]

[4 Oct 93 p 2]

[Text] Merely an Alternate Member to the Central Committee

During the one and a half years from April 1991 when Zhu Rongji was named Vice Premier until the First Plenum of the 14th Central Committee of the Chinese Communist Party in October 1992, Zhu Rongji attended some Politburo meetings as a matter of course due to the importance of his administrative position. Because, however, Zhu was still only an alternate member of the Central Committee, he did not have the appropriate title or right to speak at these meetings and instead felt quite awkward at each of these occasions.

Before he was sent to work in Shanghai, Zhu Rongji lived in a housing block for high level State Council cadres in the western part of Beijing in Sanlihe, only one street over from the famous Diaoyutai State Guest House. At that time, although Zhu Rongji had his own chauffered car, every time his car encountered a state motorcade going in or out of the Diaoyutai State Guesthouse, Zhu's car was held back by a sour-faced traffic policeman just like any taxi, bus, or truck. And if the driver showed the least lack of caution or did not pull over quickly enough, he would always get berated by the traffic policeman.

On each of these occasions, Zhu Rongji felt extremely awkward. Before the 13th Party Congress, when Zhu encountered Wang Zhaoguo or Hao Jianxiu or other "Party and Government leaders" in one of these state motorcades, Zhu naturally felt even more put upon.

Wang Zhaoguo did not pass the exam to enter a university in Harbin until 1962. And 11 years prior to that, Zhu Rongji had already earned the status to give admonitory lectures at that university as a representative of the Communist Party government.

As for Hao Jianxiu, when Zhu Rongji gave a report at People's University in Beijing as a Division Director from the State Planning Commission, this female gear factory worker who had just come to Beijing from Qingdao did not have the status to hear Zhu's lecture. At that time Hao was only a "transferred cadre student" at the workers' and peasants' intensive secondary school attached to the university.

Grasping the Opportunity for Promotion

According to the assessments of Zhu Rongji's subordinates at that time, when Zhu went to Shanghai, he had already planned his next move for his political future in the Chinese Communist arena. Of course, at that time Zhu Rongji did not expect that after he had spent only a little over one and a half years in Shanghai, the 1989 student movement would shock China and the outside world and lead to the "June 4" suppression incident.

The arrangements made for Jiang Zemin, then serving as Shanghai Communist Party Branch Secretary, to become a Politburo member at the 13th National Party Congress in 1987 were not based on expectations that he might assume even higher office but were made because he was the most important branch party secretary from a locality outside of Beijing.

From Zhao Ziyang's point of view, all signs indicated that if not for "June 4," he would never have had to give up his throne as General Party Secretary. When Hu Yaobang was ill but had not yet died, Li Peng visited Japan. When Li was asked about his relationship with Zhao Ziyang, Li slapped his chest and vowed solemnly to cooperate happily with Zhao Ziyang.

It can be said that if not for "June 4," Jiang Zemin would not have been transferred back to work at the center, and Zhu Rongji of course would not have had the opportunity to demonstrate his talent as the top government and party leader in Shanghai. In carrying the analysis further, he would not have left Shanghai in 1991 to work at the State Council.

Of course, it is possible that, based on his ability, performance in Shanghai, good relations with the old Chinese Communist leadership and other qualifications, Zhu Rongji might have completed one tour of duty as Mayor of Shanghai and then entered the Politburo at the end of 1992 and the State Council in early 1993, without "June 4."

However, if this hypothesis is carried further, without "June 4," Li Peng would not have become notorious, with people shouting for his death, and he would not have lost several hundred votes at the National People's Congress "election" in the Spring of 93. He also would not have become ill in April of 1993 with a "serious flu" which did not respond to treatment for a long time (from the point of view that psychological pressure naturally causes serious illness). Hence, Zhu Rongji would also have not found himself, from April 1993 on, facing a tense, aggressive situation with the prime minister's throne.

The analysis of an official of the Chinese Communist State Council is that the key which will determine whether Zhu Rongji will be able to achieve a transformation within the Chinese Communist Party depends upon whether Deng Xiaoping is able to maintain strong support for Zhu Rongji until Deng's final hours. If Zhu Rongji is still on the stage on the day of Deng Xiaoping's death, then a great drama will unfold. The greatest advantage left to Zhu Rongji by "June 4" is that as soon as Deng Xiaoping dies and the Chinese Communist Party is compelled to base the survival of its political power on the quelling of "June 4," even the high ranking Chinese Communist cadres who detest Zhu or are jealous of him will have to embrace him. They will have to support him as a replacement for any Chinese Communist leader (not only Li Peng) stained by the blood of "June 4" or tainted by the use of extreme methods during the political cleansing and other problems after "June 4."

After the "June 4" incident, a smug Jiang Zemin ascended the throne of General Secretary of the Chinese Communist Party, leaving Zhu Rongji to take over all the neglected tasks waiting to be done in Shanghai. After three years of further developments, Zhu Rongji once

again gained the status to sit face-to-face with Jiang Zeming. So, what will happen after three more years? Or after five more years? [End of Installment 6]

CHAPTER V: From Economic Crisis to Political Conflict

[5 Oct 93 p 2]

[Text] Beset With Crises

In December of 1987, the Chinese Communists formally announced Zhu Rongji's assignment as Deputy Secretary of the Shanghai Municipal Communist Party Branch. On 2 January 1988, Zhu Rongji, Jiang Zemin and others accompanied Chinese Communist Party General Secretary Zhao Ziyang on an inspection tour of Shanghai. The Shanghai TV station broadcast this news and the WENHUI BAO and the LIBERATION DAILY published photographs the next day of Zhu Rongji standing next to Zhao Ziyang. This was how the people of Shanghai first learned that the Shanghai Communist Party Branch had a new Deputy Secretary.

The more astute Shanghainese understood that Rui Xingwen's transfer to the Central Secretariat of the Communist Party and Jiang Zemin's assignment as Party Secretary of Shanghai implied that the Central Committee would assign Zhu Rongji to replace Jiang Zemin as mayor of Shanghai.

When Jiang Zemin first introduced Zhu Rongji to all the participants in a meeting of Shanghai party and government cadres held at that time, the applause was so sparse that Jiang Zemin's clapping seemed especially loud. Zhu Rongji, with his typically solemn demeanor, had even more difficulty smiling when faced with this scene.

After the cadre meeting was concluded, Zhu Rongji naturally was not in a happy mood. He could not help but admit that "before coming to Shanghai my understanding of Shanghai's problems was relatively superficial but now I am becoming more aware of the difficulties of my duties." Although he felt frustrated, in front of the public, he stressed that "since I am here, I will do my utmost to carry out my duties and share the joys and difficulties of the people of Shanghai."

In April 1988, the first meeting of the 9th Shanghai Municipal People's Congress was convened. Before Zhu Rongji was formally elected, he used the opportunities provided by the many small committee meetings of representatives to build support for himself.

He also gave a presentation on his own history, at the invitation of the Representatives. He told them about his bitter childhood and his designation as a rightist in 1958 because of something he said, and the hardships he experienced when he was later sent to the countryside for reform through labor. The meeting participants sighed with emotion. Especially after he boldly told them about the twenty long years of mental and physical hardship which he had experienced after being condemned on the

basis of some comments he had made, the news that the "new mayor was a former rightist" quickly spread among the intellectuals and common people of the whole city.

During the past forty years, the Chinese Communists have waged political campaign after political campaign, each one more heated than the last. This has engendered a strong negative reaction by the people of the mainland. Being a "former rightist" naturally gave Zhu Rongji a lot of credit.

A journalist from a major paper in Shanghai who had a great deal of contact with Zhu Rongji commented with strong emotion, "of the high ranking Chinese Communist cadres whom I have had contact with, Zhu Rongji is the one who has the greatest understanding of the problems confronted by the masses. He is a high ranking official of the Chinese Communist Party and in his heart he probably has much "Leling for the Communist Party government, but he understands how to minister to the negative feelings of the masses towards the Chinese Communist Party."

Taking Control of the Economy and Taking Control of the People's Hearts

At the first meeting of the 9th Shanghai Municipal People's Congress, some of the participants pointed out that in the past they had voted for some candidates without even seeing what the candidates looked like. This time democratic political reform should be carried out by allowing the candidates for municipal and national office to have direct contact with the Representatives. Each candidate should make a presentation on his experience, political achievements, and administrative goals.

As soon as this suggestion was made, Zhu Rongji was the first to respond. He even commented at a People's Congress committee meeting that an "ugly daughter-in-law is not afraid to meet her parents-in-law."

On 25 April, wearing a tan suit and a black and red checked tie, Zhu Rongji gave a frank, specific, and self-confident campaign speech to more than 800 municipal People's Congress Representatives. It was originally stipulated that the administrative platform speeches given by the candidates for chairman and vice chairman of the municipal people's congress standing committee, mayor, vice mayor, chief justice of the supreme municipal people's court, and municipal chief procurator, would each be limited to ten minutes. The longest speeches could not exceed 15 minutes. In the end, Zhu Rongji's speech was 110 minutes long.

When Zhu Rongji assumed the stage, his opening remarks brought down the house. The content of his speech stirred the entire audience to repeated rounds of applause and laughter, and the atmosphere was very lively.

A journalist at the scene observed, "former Mayor Jiang Zemin's response to Zhu Rongji's speech was passive; when others applauded, he hurried to clap, his movements always a moment behind those of others." Clearly, Jiang Zemin felt quite unappreciated at that moment.

Zhu Rongji then used very humble language to ask the chair of the meeting to extend his time. The People's Congress representatives, who normally detest long windy speeches by their leaders, indicated with a round of applause that they welcomed Zhu to extend his speaking time.

Zhu Rongji's speech was interrupted many times by unusually enthusiastic applause among the representatives. He received more applause than any other speaker at that meeting of the People's Congress. That afternoon, Zhu Rongji was elected as the mainland's ninth mayor of Shanghai.

One of Zhu Rongji's characteristics is a quick and impatient temper. At a large scale municipal government meeting to discuss production in Shanghai, the textile bureau director, who was normally full of arrogance, said that his bureau would probably increase production this month by 5 or 6 percent. Zhu Rongji immediately interrupted him to counter, "Comrade bureau director, exactly which is it, 5 percent or 6 percent? Is it 5.1 percent or 5.9 percent? Why is it not an accurate figure? And why are these ambiguous phrases 'probably' and 'maybe' added? Statistics must be precise. If it is a certain amount, then it is a certain amount!"

In January 1990, Zhu Rongji wanted to go to Chuansha County in the suburbs to investigate conditions through a "first-hand experience" there. He first convened a meeting on agriculture for the entire municipality in Jinshan County. He asked a manager responsible for a municipal company to provide some relevant data. The disappointing manager anxiously explained that his assistants were in the process of tabulating those statistics. Zhu Rongji immediately slapped the table in anger. "What did I call you to this meeting for? I asked you here to report on your work. You get out of this meeting now! Go!"

At a municipal government office meeting not long after Zhu became Mayor, a Vice Mayor was twenty minutes late to the meeting after attending a ribbon cutting and banquet. In front of all the participants at the meeting, Zhu Rongji asked the Vice Mayor, "I think maybe you can eat a little less banquet food, huh? All these people have been waiting for you!"

A Shanghai journalist has commented that if the common people were allowed to elect the mayor, Zhu Rongji would definitely win by a large margin. If the officials at the division director or bureau director rank and above were allowed to elect the mayor, Zhu Rongji would definitely get only half the vote. Zhu Rongji himself admitted to this point. [End of Installment 7]

CHAPTER V [continued]

[6 Oct 93 p 2]

[Text] The People Do Not Fear Our Honesty

Wu Derang was appointed Chief Procurator of the Municipal People's Procurate in September 1987. He told Zhu Rongji, "I accept this appointment with determination to 'not fear breaking heads or letting blood' with 'my black gauze cap' [the feudal symbol of an official] in my hands."

Zhu Rongji was very moved by Wu Derang's determined attitude. At the same time, he felt that just getting a handle on this soft [with no fixed quota or goal] task of establishing honest government could achieve fast results and please the people without any investment. Hence, Zhu Rongji identified Wu as the first official to pass the qualification procedure of the list of 60 bureaulevel cadres assigned to continue in their posts after the government leadership rotation.

Zhu Rongji told Wu, "You keep your two eyes trained for me on the 506 leading cadres of the committees, offices and bureaus. As long as you are not afraid of offending people in your work on honest government, then I will protect your black gauze hat [official position] for you."

With Zhu Rongji's strong support, in 1988 alone, 29 committee, office and bureau cadres in the city of Shanghai were investigated and punished.

When Zhu first arrived in Shanghai, he gave the officials of all the counties, districts, and city government an ancient passage, which he explained to them phrase by phrase, "The officials are not afraid of my being severe but of my being honest. The people do not submit to my ability but to my fairness. Fairness makes one bright; honesty gives one might." But not one month after the city government, under Zhu's direction, formulated and promulgated eight regulations on the improvement of governing, the Shanghai municipal Public Security Bureau and the Shanghai Air Transport Bureau held a joint working meeting at which they provided seven banquet tables and spent a total of 1,430 yuan for everything from cold appetizers and main courses to cigarettes and liquor.

That night, some of the attendees reported this to the municipal People's Procurate. When Zhu Rongji received the report, he decided immediately, "Publish a criticism of this in the press, and punish the relevant individuals."

When a meeting was held on this topic, Zhu Rongji noticed that some bureau heads were exchanging namebrand foreign cigarettes. He immediately asked, "Where did you get your foreign cigarettes. Is your salary enough to smoke foreign cigarettes?"

When it came to honesty in government, Zhu Rongji made strict demands of himself first. He never accepted any gifts, not even a single local product from his home town. When he discovered "something that flew in by itself," he asked everyone in his household until he discovered who sent the gift and then sent back the gift or money received. One time he searched at length, giving his family no rest, but could not find the source of a gift of a box of grapes.

It is not rare to find people who approve of all aspects of Zhu Rongji but some people feel that the commentaries on Zhu Rongji both in the mainland and overseas exaggerate Zhu's strengths. For example, two reporters in Shanghai who felt they understood Zhu Rongji well came up with completely opposite assessments of him. One of the reporters lamented that whenever Zhu Rongji attended public events in Shanghai, he was always alone. The other reporter immediately countered, "I have seen Zhu Rongji many times with his wife and daughter at public performance activities or at rest and relaxation places for high-level cadres."

This reporter gave an example: "Zhu Rongji does all of this just for the common people of Shanghai to see. Although some say he is 'only thinking of the people with all his heart,' actually it would be more accurate to say that he has the greatest understanding of the 'way of being an official' in the Chinese Communist regime. Every weekend he takes his wife, and his daughter during university holidays, to a hotel in the suburbs which is designated for the use of high-level leaders from the central government or other provinces and cities. He pays 15 yuan each time, but the total expenses for his family to stay there for two days are over 150 yuan."

This reporter also said that when Zhu Rongji first arrived in Shanghai he undertook a special construction project to renovate this hotel. His purpose was to provide comfortable lodging and a touristic environment for high-level leaders from the central government and leaders from other provinces and cities who might be useful to him. Zhu Rongji demonstrated his cleverness by having the inside decorated in an unsurpassably luxurious fashion but the external structure is extremely ordinary. This way, the common people who do not have the status to enter have no way of knowing that this place is "gold and jade on the inside, and brick and tile on the outside" and naturally would not complain.

Flattering the Two Ends Is His Style as an Official

This reporter also revealed, "I learned long ago from the secretaries in the city government not to pay attention to the way Zhu Rongji expresses great revulsion for corrupt cadres in public arenas. The people he dares to insult have all been chosen. His standard for his role as an official is 'flatter the two ends, and offend the middle."

So-called "flattering the two ends" refers to flattering the central government above, especially the political old guard at the center, and the common people below.

So-called "offending the middle" refers to offending the mid-level cadres in the city of Shanghai.

Originally, of the political old guard at the center, Chen Yun and Li Xiannian particularly liked Shanghai and had to visit there every year. Deng Xiaoping and Yang Shangkun also visited every year, whether it was for private rest or for keeping a grip on political power.

Zhu Rongji was one move ahead of Jiang Zemin in that as soon as he came to Shanghai, he arranged a very precise activity schedule for the older comrades from the central government who visited Shanghai in turns. In addition to the old people mentioned above, for Peng Zhen, Wang Zhen and others who typically were not that interested in activities in Shanghai, Zhu added special arrangements.

The two reporters really had quite opposite assessments at the same time of Zhu Rongji. According to one Chinese Communist high-level official, "flatter the two ends, and offend the middle" actually is a characteristic of Zhu's style as an official, but this just shows how clever an official he is. If one wants to be an official on the inside of the Chinese Communist Party and one thinks of an unlimited political future, then flattering the central government old guard is necessary and inevitable. The political system makes it this way. And if one can "kill two birds with one stone" by flattering the local bullies from the various provinces, cities, and autonomous regions, then why not?

CHAPTER VI: Opening the Gates To Rejuvenate Shanghai

[7 Oct 93 p 11]

[Text] Overcoming Natural and Manmade Disasters

In 1988 Shanghai experienced an infectious hepatitis A outbreak which shocked the world. For a period of time, all of Mainland China was talking about the hepatitis incident, and the people of Shanghai were especially anxious.

That summer, the weather in Shanghai was persistently hot. The intense heat was hard to endure. Industrial production was seriously affected. That fall, Shanghai experienced its worst drought in 100 years. This had a direct impact on Zhu Rongji's "vegetable basket engineering" project on which he had expended a great deal of effort. In addition, the severe nationwide inflation also caused panic buying in Shanghai. Following this, a decline in savings brought about a noticable exacerbation of supply shortages in energy and commodities. Stored coal supplies dropped below the warning level. At the end of the year, power was also in short supply, to the extent that many enterprises did not have adequate power to operate, and a number of enterprises were forced to stop production.

Particularly during the period of intense high heat and the hepatitis A outbreak, Zhu Rongji often worked night and day with no rest. His wife Lao An said to him anxiously, "the hepatitis A outbreak in Shanghai did not kill anyone, but it might kill the mayor with exhaustion."

Therefore, in light of the many adverse conditions for industrial and agricultural production which Shanghai encountered all concentrated in the year of 1988, the people of the city were very pleased that Shanghai was still able to achieve growth in industrial and agricultural production. While Deng Xiaoping was spending the Spring Festival of 1990 in Shanghai, he said, "When I was setting up the special development zones in the coastal areas, I made a major error in not including Shanghai."

Therefore, beginning in 1990, the State Council had to favor Shanghai in economic development policy trend setting and had to pass a series of policy-type preferences for Shanghai, including opening up Shanghai's Pudong District and applying policies for Special Economic Zones and Economic Development Zones to this District

During Zhu Rongji's term of a little over one year as Mayor, he was not that actively supportive of the development of the Pudong District, not even as actively supportive of it as Jiang Zemin had been.

Cause and Effect Come Together

Examination of the publicly issued periodicals of the Chinese Communists shows that the call to develop Pudong did not formally emerge until April 1990. During Zhu Rongji's policy platform speech in 1988 and his Shanghai municipal government report in 1989, he did not mention a word about the development of Pudong.

One of the longterm ideas behind the development of Pudong was the hope of using this to carry the economic development of the entire Yangtse River Delta area. This development could then be expanded to include the areas in the middle and lower reaches of the Yangtse River. The second longterm idea was that there may still be hope that, through the development of Pudong, Shanghai might revive its earlier glory as an economic base and thus lead the economic development of the entire country.

However, how could the planned economy faction members of the Chinese Communist old guard, especially people like Chen Yun, yield so easily to Deng Xiaoping on the issue of the development of Pudong?

A member of the Chinese Communist upper echelon says that in the "greater climate" of the clear economic achievements and popular support among the people of the mainland of the reform and opening policies, it was not possible for Chen Yun to completely avoid adjusting his strategy.

Therefore Chen Yun probably thought it would be better to show some flexibility and retain his role as an active

player on the issue of developing Pudong. Thus he came up with the call to "first develop systems and people." At that time, Chen Yun had sought out Zhu Rongji to say, "I supported you in your reform efforts in Shanghai. Now I will continue to support you in the development of Pudong. The most important aspect of developing Pudong is money. It is most important that you have substantial support from central government funding. I will have Chen Yuan take a public stand on this. He can act as a very important assistant to you on the issue of developing Pudong."

With Deng Xiaoping's comments about his regret at not establishing a Special Economic Zone in Shanghai and bringing Pudong on board and with Chen Yun's strong support, Zhu Rongji finally started developing the grand plans for Pudong with vigorous ambition. As a result, at the press conference in September, 1990 on the Pudong Development District, Chen Yuan sat solemnly at the head table like an "imperial commissioner."

Coordination With Chen Yuan

He first spoke as a representative of the central finance institution, indicating strong support for the development of Pudong. After that event, there was a rumor that Chen Yuan was the Deputy Director of the Pudong Development District.

Not long after Zhu Rongji became Mayor, the Shanghai Foreign Investment Working Committee, which he led, formally opened to the public for business.

Zhu Rongji promised the foreign business community at a press conference to improve the investment environment in Shanghai and that Shanghai's careful and long-term policy, which absolutely would not change, was to guarantee that Shanghai's work to attract foreign investment would be conducted according to international precedents.

Subsequently, Zhu Rongji issued an order to the Shanghai journalism organizations to broadly publicize the news that, "Shanghai has opened the gates for foreign investment." He then flew to Beijing to personally attend a meeting on U.S.-China cooperation, trade and economic development.

At the same time, Zhu Rongji issued an order that the Shanghai Foreign Investment Working Committee be divided into fourteen small groups to visit separately all of the 394 foreign business organizations established in Shanghai to elicit the views of the foreign business community on investment in Shanghai. Zhu Rongji's concrete steps from the beginning of his tour in Shanghai to expand opening to the outside, at least in the area of improving the environment for foreign investment, provided a favorable basis for the development of Pudong and added a multi-colored halo to his enlightened image.

The Pudong district, in addition to being the largest Special Economic Zone in the mainland, has four main differences from the Shenzhen and Xiamen Special Economic Zones: (1) A free trade zone will be established in Pudong. (2) Foreign investment banks will be brought in and the bond market will be opened up. (3) Improved measures will be adopted to attract direct investment by foreign enterpreneurs. A portion of shares in existing enterprises will be set aside, and stocks can be used as a form of investment. 4) More flexible policies will be adopted to allow for the transfer of land for compensation and the housing market will be opened up.

An analysis of these four characteristics of the Pudong Development District at that time shows that Zhu Rongji was using this as a pilot project for his later plans to lead economic reform and opening of all of China. Actually, astute individuals in the mainland commenting on the Pudong Development District at the time noted that Zhu Rongji was using Pudong as an "experimental field" for his next step to economic leadership in the State Council. [End of Installment 9]

CHAPTER VII: Walking on a Political Tightwire

[8 Oct 93 p 10]

[Text] Shanghai experienced the quickest reaction to the Beijing student movement which began after Chinese Communist Party General Secretary Hu Yaobang suddenly fell ill and died on 15 April 1989. On the afternoon of the 15th, posters, slogans, and elegies had just begun appearing on the campuses of Beijing University, Qinghua University and China University of Politics and Law, whereas in Shanghai the students were already marching in the streets on the 16th.

On April 19th, the WORLD ECONOMIC HERALD of Shanghai and the NEW OBSERVER of Beijing jointly hosted a discussion meeting in memory of Hu Yaobang in Beijing. There were two main topics for discussion: 1) the rehabilitation of Hu Yaobang, 2) overturning the verdicts on "eliminate spiritual pollution" and "oppose liberalization."

On April 26, the PEOPLE'S DAILY published an editorial entitled, "We must take a clear stand in opposition to the turmoil." The contents of the essay referred to the current political situation as "a planned secret plot, a turmoil which actually fundamentally rejects the leadership of the Chinese Communist Party and the socialist system. This is a serious political struggle in front of the whole party and all the peoples of China."

Resisting Freedom of the Press

Because the content of the editorial followed the tone of Deng Xiaoping's speech on the previous day, Jiang Zemin, who was very familiar with its content, immediately felt that Shanghai must also "take a clear stand." On that same afternoon, he called a meeting of all the party members and all the cadres of the city and told them that the municipal party Branch Committee must maintain decisions consistent with those of the Central Committee of the party. He then announced that the

WORLD ECONOMIC HERALD Editor-in-Chief, Communist Party member Qin Benli, would be removed from his post and that a rectification leading group, led by Liu Jie, Deputy Director of the Shanghai Communist Party Committee Propaganda Bureau, would be sent to take over management of the WORLD ECONOMIC HERALD.

The actio.. which prompted this decision was the publication, in the April 24 issue of the WORLD ECO-NOMIC HERALD, of a record of the discussion meeting in memory of Hu Yaobang held in Beijing.

After Jiang Zemin issued this order, he hoped that the WORLD ECONOMIC HERALD would change its text and resume publication as soon as possible, in order to avoid any adverse impact from his action. The newspaper staff, however, were united in their animosity toward their adversaries and refused to change the text or publish a paper. At the same time, some copies of the banned issue had already been sold.

On April 28, the revised WORLD ECONOMIC HERALD was finally brought out. But there were two versions of this issue circulating in society. At the same time, because Jiang Zemin's treatment of this paper had already been publicly reported by other papers in China, this ultimately served to spread the flames of the student movement to become a movement of all the people.

Jiang Zemin Is Anxious

After Zhao Ziyang returned from his visit to Korea, he immediately indicated that oppressive methods must not be used against the student movement. Follwing this, on 4 May, Zhao Ziyang made a speech recognizing the patriotism of the students which received a favorable response in China and outside the country.

With this sudden change in the situation, Jiang Zemin finally felt that he could no longer contain himself. When he discussed this with Zhu Rongji, Zhu did not give him a direct answer to the question, "should we take some measures to save the WORLD ECONOMIC HERALD?" Zhu just made one remark that Beijing's methods of taking measures to exacerbate conflict "did not seem to be the best plan." On the afternoon after Zhao Ziyang's May 4 speech, hundreds of journalists in Beijing participated in the first demonstration march by journalism workers in China since the founding of the country. The participants included reporters from NEW CHINA NEWS AGENCY and many major newspapers and periodicals. They submitted an open letter to the relevant authorities with five demands: 1) The Chinese Communist Party Central Committee should consider withdrawing the incorrect decisions of the Shanghai Municipal Party Committee on the handling of the WORLD ECONOMIC HERALD. 2) The Shanghai Municipal Party Committee should apologize to the WORLD ECONOMIC HERALD. 3) It should be guaranteed that this type of illegal incident will not occur again. 4) The government should conduct a public discussion with the journalism sector on this affair. 5) The government must not interfere with public reporting.

It turns out that when Zhao Ziyang returned from Korea and heard the reports about the situation in the whole country, he lost his temper about the HERALD incident. He accused Shanghai of messing up the situation and being too reactive.

A few days later, when Jiang Zemin was called to Beijing for a Politburo meeting, he asked Zhao Ziyang for help. He asked a way to defuse the nationwide furor caused by the HERALD incident.

At the same time, Jiang Zemin could not avoid indicating, in a semi-public arena, that the handling of the WORLD ECONOMIC HERALD really had been too careless.

Opposing the Exacerbation of Conflict

After "certain areas" of Beijing were formally placed under martial law beginning at 10 am on 20 May and troops were brought in to surround Beijing, Zhu Rongji had a premonition that the situation in Beijing was more serious than it had ever been before and that the spilling of blood might be unavoidable.

At this time, there was no one more excited than Jiang Zemin, because Zhao Ziyang's soft methods of handling the student movement had already been rejected by Deng Xiaoping and Zhao Ziyang himself had already been stripped of his actual authority. The situation was advantageous to Jiang Zemin. Those who supported his handling of the HERALD were already in control of the policy making circle of the Chinese Communist top leadership.

After the bloody suppression incident on the evening of 3 June and the early morning hours of 4 June in Beijing, Shanghai, like the rest of the country, was filled with rage, particularly among the universty students. They formed groups to organize large scale protest activities. During this period, Zhu Rongji, Vice Mayor Huang Ju, Deputy Secretary Wu Bangguo and others worked all night in the Municipal Party Committee meeting hall, waiting for instructions to come at any moment from Jiang Zemin in Beijing. On June 4, the Shanghai Municipal Party Committee Propaganda Bureau drafted, according to orders, a "Notice from the Shanghai Party Committee and the Shanghai People's Government to all Chinese Communist Party members and residents of Shanghai." After Zhu Rongji read it, he kept the section describing the situation in Beijing, because this section copied exactly the text printed in the LIBERATION ARMY JOURNAL on 4 June. But he deleted all of the references to "counter-revolutionary turmoil" and other political terms from the section describing the situation in Shanghai. He described the chaotic situation in Shanghai as only the "wild and defiant actions" of a small minority and "destructive activities to bring chaos

to Shanghai." He also emphasized that "the right of each citizen to normal life and work must be protected."

Some members of the Shanghai Municipal Committee expressed differences with Zhu Rongji on this. They felt that Zhu Rongji should not continue to be lenient with the students creating turmoil. Zhu Rongji countered by saying, "Beijing is Beijing; Shanghai is Shanghai. The situation in Beijing is different from that in Shanghai. Furthermore, in this situation, we must not take measures which would exacerbate the conflict in Shanghai." [End of installment 10]

CHAPTER VII [continued]

19 Oct 93 p 21

[Text] On June 5, Deng Xiaoping had his secretary telephone Zhu Rongji to ask, "Are you confident that the problems in Shanghai can be resolved without using troops?" Zhu replied that he was confident of that.

Deng Xiaoping Is Concerned

When the news of the "June 4" suppression of the student movement in Beijing reached Shanghai, the people were enraged. With the additional rumor that Shanghai would be put under military control, many residents of the city took to the streets to set up barriers in the hope of preventing troops from entering the city. In addition, even larger scale marches and demonstrations were brewing.

Seeing that Shanghai was about to sink into chaos as Beijing had, after Deng Xiaoping issued his military orders, Zhu Rongji called an emergency meeting of the responsible officials of the "three newspapers and two stations" (the LIBERATION DAILY, the WENHUI BAO, and the XINMIN EVENING NEWS and the Shanghai People's Radio Station and the Shanghai Television Station) of the official press media in Shanghai and asked them to write an open letter signed by the "three newspapers and two stations." On the evening of the 6th, the Shanghai People's Radio Station and the Shanghai Television Station broadcast the content of an open letter entitled, "Shanghai cannot enter chaos; what shall we do?" which was printed in a front page top headlined box by the three newspapers on the next day.

This "open letter to all the readers, listeners and viewers of the city" signed by the "three newspapers and two stations" actually was conceived and approved by Zhu Rongji himself. The unusual aspect of it was that the entire letter did not include a single political term but described the situation in Shanghai as "the serious situation happening in Shanghai." At the same time, the motive of the "small number of bad people" who incited the university students to take "extremist actions" was described as "to take advantage of others' misfortune" without a single line with political labels like "subverting socialism" or "overturning the Communist Party."

As soon as this open letter was broadcast and published, there was an immediate change of attitude among some residents who had gone to the streets to march or support the protest activities of the students in anger after the bloody massacre of students and city residents in Beijing. At that time, some people went to the streets to exhort the students to stop. "If you continue to cause trouble you will not save Beijing but only bring chaos to Shanghai. If you carry on like this, we residents and workers will not only not support you, we will side with the city government."

At the same time, many university students with simplistic thinking felt that the attitudes of the Shanghai Municipal Committee and the Shanghai municipal government were actually quite different from those in Beijing. At least they had not labeled the student activities as "political" adversarial actions. Thus, the radical mood of most of the students naturally dissipated.

Subtly Calming the June 4 Storm in Shanghai

After using the above methods to achieve some headway in the propaganda war, Zhu Rongji then appeared in person on television. He gave a televised speech on the evening of 8 June, the text of which was printed the next day by the three Shanghai newspapers.

In this speech, Zhu Rongji did not refer to the "June 4" incident in Beijing as a "counter-revolutionary turmoil" but as "the events which occured recently in Beijing." He also announced that "No one can conceal the facts of history. The truth will come out in the end." Because of this line, the people of Shanghai all thought that Zhu Rongji was covertly rejecting Beijing's suppression actions. At the same time, he also promised the people of Shanghai, "Many comrades have asked us to mobilize the people's armed police or even troops. As Mayor, I hereby solmenly announce that - one, the Municipal Party Committee and the Municipal Government have never considered using troops and have never planned to implement 'military control' or martial law."

In this passage, he not only guaranteed that military control or martial law would not be implemented in Shanghai, he also subltly indicated that he had been put under tremendous pressure from above by using the line "Many comrades have asked us to mobilize the people's armed police or even troops." This of course gained him the sympathy of the common people and the intellectuals of Shanghai.

This very sincere public speech finally produced the result which Zhu Rongji had predicted. On the evening that the speech was broadcast, many workers and cadres of units in Shanghai telephoned the Shanghai Television Station, the Shanghai Municipal Government, or the editorial offices of the newspapers to express their understanding of "Mayor Zhu's heartfelt words." This caused the people of Shanghai to conform to Zhu Rongji's calls to rectify order in Shanghai and calm the turmoil. He even successfully sent 100,000 workers into the streets as

public order brigade members to clear out the barriers and maintain order in the city.

The Truths of History Will Be Brought Out in the End

From this it can be seen that Zhu Rongji subtly used the so-called "political turmoil" to gain the understanding of the majority of the common people and complete the task assigned to him by the Chinese Communist Party Central Committee to calm the situation in Shanghai.

People noticed at the same time, however, that although troops did not enter Shanghai, in order to fulfill his promise that "Shanghai would rely on its own strength to solve its problems," Zhu Rongji used the power of the "Public Security forces, People's Procurate, and the People's Courts" to take suppressive actions which were even swifter and more severe than those used in Beijing.

On the early morning of June 5, first there were some people sitting on the railway tracks blocking trains, so that the train from Harbin to Shanghai was blocked. Then a train arriving in Shanghai from Nanchang was stopped on the tracks...

Unexpectedly on the early morning of June 6, there were many people sitting on the tracks to block the trains. At about 8 pm that evening, a train was forced to stop on the tracks there. Crowds of spectators stood on the tracks watching the excitement. At that moment, the number 161 train from Beijing to Shanghai was approaching that intersection. When the engineer discovered the dangerous scene in front of him, he slammed on the brakes but it was too late to stop. With steam rolling out, 12 people who did not have time to get away were either rolled under the train or knocked to the ground, caught in a horrible accident too shocking to witness.

After the accident, the enraged crowd of spectators began to beat the engineer and set fire to the postal car of the train. As soon as Zhu Rongji received the reports, he realized that this incident must be quelled at once. If allowed to continue, it would create an even greater tragedy.

He immediately called for as many police forces as could be concentrated from the suburbs and counties to be sent rapidly to the scene. They were to take severe measures against anyone who continued to cause accidents. Over one thousand police cadres and officers went to the scene to use teargas and police batons to disperse the crowds. 11 people involved in setting fires were arrested on the spot.

On 17 June, Beijing announced that a group of "hoodlums" had been given the death sentence, but in Shanghai this action had already been taken two days earlier. In addition, the eight people condemned to death in Beijing (when the sentences were carried out, only seven were actually executed), were caught on 4 June and 5 June, but the three people condemned to death in Shanghai (all were participants in setting fire to the train at the Guangxin Road intersection) were caught on 7 June. In other words, the speed of sentencing in Shanghai was actually four or five days faster than that in Beijing.

CHAPTER VII [continued]

[10 Oct 93 p 3]

[Text] The Reputation of Upright Magistrate Zhu

Zhu Rongji then made an even more clever move. After executing several arsonists, thus successfully achieving the effect of killing a hundred of them, in order to gain further understanding and support from the common citizens of the city, he asked the relevant Shanghai authorities to announce via the official news media that the Shanghai Municipal Government would take appropriate measures to provide economic compensation for the loss of lives or damage to people's property caused by the hoodlums who set fire to the trains.

This way, the common people of Shanghai naturally felt that the Shanghai Municipal Government, with Zhu Rongji at the head, was truly a government for the benefit of the broad masses of common people and Zhu himself was a "parent official" who "put the people first with all his heart."

However, a senior Shanghai journalist currently abroad pointed out astutely that Zhu Rongji's methods of suppression were actually just more brilliant than those used in Beijing by Li Peng and his subordinates, Li Ximing, Chen Xitong and others like them. But the results of Zhu's methods of suppression, in comparison with those in Beijing, could not be called "compassionate" or "lenient" but were even more cruel than in Beijing.

A reporter in Shanghai also revealed that, after the situation in Shanghai was nearly calmed down in June, 1989, Chinese Communist Party Committee of Shanghai and the Shanghai Municipal Government did not act leniently in the movement to "clear out the turmoil elements." They did not hesitate to catch people and lock them up, with not a bit of difference from the red terror at that time in Beijing.

Concentrating Government and Party Political Power in the Hands of One Person

Before the "June 4" incident, Zhu Rongji had already been notified by the Chinese Communist Party Central Committee that he was to take over all aspects of Government and Party work in Shanghai. In August of that year, the Chinese Communist Party Central Committee formally announced that Zhu Rongji would serve simultaneously as the Branch Party Secretary of Shanghai.

Zhu Rongji was the tenth Branch Party Secretary of Shanghai since the founding of the country. This indicated that he had begun to step into the highest echelon of the Chinese Communists. According to leaks from journalism workers in Shanghai, Zhu Rongji was the first

among the Shanghai Branch Party Committee and the Shanghai Municipal government to know that Jiang Zemin was to serve as General Secretary of the Chinese Communist Party.

The night before the "June 4" suppression, Jiang Zemin hurried back to Shanghai from Beijing to call a meeting of the Shanghai Branch Party Committee members. After laying out some tasks at the meeting, he then announced that whenever he was not in Shanghai, Zhu Rongji would be in charge of all aspects of the work of the Shanghai Branch Party Committee. He then announced that the meeting was over and held a long private discussion with Zhu Rongji.

After this discussion was over, Zhu Rongji took a car to the airport to see Jiang Zemin off. Those at the airport saw that Jiang Zemin was using an air force plane. They guessed that the reason Jiang Zemin was not using a China Airlines flight was either the urgent situation in Beijing or that he had been promoted. (Members of the Politburo normally do not have the status to use private planes. Only members of the Politburo Standing Committee have that right.) A bold person asked Zhu Rongji what was going on, but Zhu only tightened his jaw and said nothing.

Some people in Shanghai spread a rumor that in the latter part of May, Zhu Rongji had already smelled blood in Beijing. He immediately called his wife and daughter in Beijing and asked them to come back to Shanghai and ordered them to stay obediently in the house and not go out on the street. If this rumor is true, it proves that before shots were fired on "June 4," Jiang Zemin had already revealed all aspects of the developing situation in Beijing to Zhu Rongji. [page 9 not received]

CHAPTER VIII: From Able Economist to Talented Diplomat

[12 Oct 93 p 2]

[Text] While Zhu Rongji was visiting the United States, he was interviewed in Los Angeles by Mr "Jia-de-er-se," the Chief Editor of the magazine GLOBAL VIEW-POINT [QUAN-QIU GUAN-DIAN] [as received], on the current status of economic reform in the mainland. From this interview, it could be seen clearly that the Western world not only saw Zhu Rongji as the Mayor of Shanghai but also as a spokesperson for economic work in the mainland. And Zhu Rongji had not only accumulated long years of substantive expertise but also, as a person "physically resident in Shanghai but with all of China in his heart," could speak with assurance on the macroeconomic situation in all of Mainland China as well as on the specifics of reform and opening.

After this news reached the mainland, Deng Xiaoping was very excited. He said to those beside him, "Listen to what Zhu Rongji has said, with expertise in every word. What rare talent, what rare talent!"

In April of the next year Zhu Rongji led a delegation to The Netherlands.

On the eighth, just as the leader presiding at the National People's Congress meeting announced that the assignment of Zhu Rongji as Vice Premier had just been approved, Zhu Rongji was meeting with the Minister for Economic Affairs of The Kingdom of The Netherlands Government. The host and guests were raising their glasses and drinking boisterously together when an official of the Netherlands Government burst in and whispered in the ear of the Minister of Economic Affairs. Although Zhu Rongji could not understand Dutch, he understood that the official said that this Chinese person in front of you is no longer just the Mayor of Shanghai but is now the Vice Premier of the most populous country in the world.

When Zhu Rongji led this delegation from Shanghai to West Europe, in addition to visiting The Netherlands, they also visited Italy, Belgium, France, Spain, and Germany. He met the Premier of Italy, the Premier of France, the Vice Premier of Germany, the Deputy Prime Minister of Belgium, the Vice Chairman of the European Community and other high-ranking officials.

Talent Which Is No Longer To Be Buried

What caused the leaders of the West European nations to see Zhu Rongji with new respect was the scholarly speech entitled, "China's Open Policies and Future" which he gave in English at the Fourth International Discussion Meeting in the Netherlands. His fluent English and well-organized logical thought led all those present to exclaim, "The Chinese Communist regime has been hiding such an enlightened mayor with such high standards."

Actually, Zhu Rongji is not the only one among the current Chinese Communist national leaders who has mastered one or two foreign languages. However, when Jiang Zemin speaks English with foreigners, they usually cannot understand him. He even keeps talking on and on as if there were no one there beside him.

Li Peng has very good Russian but few opportunities to demonstrate this. When he is in the presence of foreigners speaking English he usually expresses excessive modesty and willingness to learn. For example, once when he was visiting a foreign power plant, every time the local technician said something, Li had to ask his interpreter how to spell the term and then slowly and carefully write it down, letter for letter, in his small notebook. Everyone knows that this kind of excessive demonstration makes his interlocutors feel that he is wasting time and trying people's patience.

Setting Up Political Situations in a Modern Fashion

Politics is a test of actual power. But those who successfully create situations which are just right can often

expand their actual power several times and achieve results which would be difficult to reach by relying on power alone.

In the history of the Chinese Communists, the person who had the greatest skill at creating situations was, of course, Mao Zedong, but he still used the traditional methods of court power plays. Zhu Rongji, as a hometown compatriot of Mao, uses political techniques which tend to be more modern, such as gaining the sincere applause of the masses in public places and using the media to shape his own image.

If one can say that such activities as Zhu Rongji's visits to Hong Kong and the United States as Mayor of Shanghai and then to six European countries as Vice Premier were "just a trial run" for Zhu Rongji, then his trip to three countries in the Americas after he became a member of the Chinese Communist Politburo Standing Committee and then the State Council's "actual premier" when Li Peng came down with the long-term "flu" really was his time to "show off his full abilities."

From May 15 to May 23 1993, Zhu Rongji led a Chinese Government delegation with an enormous line-up to visit Vancouver, Toronto, Ottawa, and Montreal in Canada and then Mexico and Brazil.

An Unspoken Meaning

At a press conference in Toronto, someone asked Zhu Rongji about Li Peng's current health. Zhu Rongji answered, "Premier Li Peng has actually recovered already, but his doctors want him to rest for a while. This will not cause any personnel changes in China. I hope that after Li Peng comes out again, the doctors will ask me to rest for a while." This light, leisurely response which could be easily understood brought down the house with laughter.

After everyone stopped laughing, everyone assumed that Zhu had finished his response, but he unexpectedly continued, "I like to make jokes, but people often do not understand my sense of humor. For example, at a National People's Congress meeting in Beijing not long ago, I told the delegation from Hunan Province that they must not misuse agricultural funds again to damage the interests of the peasants. I would cut off the head of anyone who did this again. I was just joking when I said that but afterwards, the NONGMIN RIBAO [PEAS-ANTS' DAILY NEWS] reported this as if it were sincere, and some papers in Hong Kong also picked it up. Later I said at a press conference that I do not admit that I would cut off someone's head; that would damage democracy and violate the laws and human rights, and internationalize the problem. The next day, the Hong Kong press reported that I did not admit to my own statements. Aren't these papers a bit lacking in sense of humor?"

In Chinatown, he talked about his hair. "During my years as Mayor of Shanghai, I lost some of my hair.

During a few years as Vice Premier in Beijing, my hair has become quite gray. I would be willing to lose all my hair to make the economy of China move forward!" After everyone's applause died down, someone asked privately "For whose ears did Zhu Rongji make those remarks?"

As a reformer within the Communist Party, Zhu must learn how to withstand the enticements and attacks from extremists on the left and the right. He must have an elusive and ambiguous image so that both extremist factions are satisfied. Deng Xiaoping is the "political balancing master" at this. As a disciple of Deng, Zhu Rongji's practice of Deng's skill is up to par. He often wields it even more effectively than Deng does.

Some observers think that Zhu Rongji's visit to three countries in the Americas to a large extent was to play the Canada and South America cards to perform a containment function against the United States. It turned out that after Zhu Rongji spoke with Canadian Prime Minister Mulroney for three hours, he achieved a result which made the Chinese Communists very excited: Canada agreed to give China unconditional most favored nation status and to support mainland China's reentry into the GATT.

After Zhu Rongji obtained Canada's formal commitment, he stated with the appearance of great confidence, "Giving China most favored nation status provides mutual benefit and advantage. Furthermore, most of the benefit of the trade deficit between the United States and mainland China goes to Hong Kong. Therefore, Hong Kong is even more anxious than Mainland China for China to maintain unconditional most favored nation status. If the United States takes actions against China, China will not be indifferent. Furthermore, in all honesty we can say that the United States would suffer greater losses than China would."

On this issue, although the "Zhu Rongji diplomacy" which Deng Xiaoping has directed in order to break the "June 4" stalemate is still not completed, it has already achieved some success which has made Deng Xiaoping very satisfied. At the same time, the success of Zhu's visit to Canada, Mexico, and Brazil has made many people believe that Zhu will replace Li Peng as Premier, perhaps not necessarily waiting until the 9th National People's Congress in 1998.

CHAPTER IX: From Mayor of Shanghai to Vice Premier of the State Council

[13 Oct 93 p 15]

[Text] The Mystery of Obeying Deng Xinoping

For a long period prior to "June 4," Zhu Rongji walked a political tightwire, wanting to gain points with both the Deng and the Chen factions. But after "June 4," it seemed that he came to understand one rule. This was that if one wanted to maintain the political power of the

Chinese Communist Party, it would be a one hundred percent dead end to continue working against economic reform. This is the first reason why Zhu Rongji chose to follow Deng Xiaoping.

During the first half of 1990, Li Peng used his power to pull back some of the fiscal autonomy given to localities. Deng Xiaoping was very displeased with this. He sent Yang Shangkun on separate trips to Guangdong and Shanghai to discuss this with Ye Xuanping and Zhu Rongji.

After Ye Xuanping and Zhu Rongji had this magic weapon from Deng Xiaping, they openly confronted Li Peng at a meeting of the State Council around August of 1990 and refused to agree to allow the central government to take back authority given to local governments. With the impetus of the leadership provided by these two, many leaders of other local governments, including the city of Beijing, also expressed their dissatisfaction with the central government taking back authority.

It is said that Ye Xuanping said at that meeting, "If the central government treasury has shortages, it can borrow from local governments." When Li Peng heard this, of course he could not stand it. In shame and anger, he shouted "The central government is not a beggar!" It can be seen from this that the struggle within the Chinese Communists between reform and anti-reform was intense. In the past, some people thought that Deng Xiaoping's technique of using the South to counter the North, just as Mao Zedong did, started in 1991 when the essays of "Huang Puping" were published in Shanghai, but actually this move of Deng Xiaoping's began to make its presence felt in the latter half of 1990.

Because Zhu Rongji, as Secretary of the Shanghai Communist Party Branch Committee and Mayor of Shanghai, dared to openly confront Li Peng, and because the development of Pudong began in April 1990, Shanghai's image as the "Main Base of the Planned Economy" began to change.

Zhu Rongji Is the Second Master of "Huang Puping"

Huang Puping is the pen name of the author of some commentary essays. Because the essays were from Shanghai and were published in the Shanghai newspapers, people understood the name as homophonic with "Commentary from the Huang Pu River." [commentary from Shanghai]

On 2 March, the title of Huang Puping's essay was "Reform and Opening Should have a New Line of Thinking." This essay pointed out that reform in the 1990's must have a new line of thinking and new tricks. In order to do this, the key is to liberate thinking. "Reform and opening are the secret weapons which we cannot do without even for a moment. Reform and opening are the only way for Shanghai to break out of its difficulties and seek revitalization."

On March 22, Huang Puping published an article entitled, "The Consciousness of Reform Must Be Stronger" which publicly pointed out "Comrade Deng Xiaoping has placed his hopes for reform in the 1990's on Shanghai. Shanghai must raise the flag of reform and opening even higher, and the development of Pudong must be faster, better, and bolder."

Subsequently, Huang Puping published an essay explaining that cadres with a progressive and expansive attitude towards economic structural reform should be promoted. He also attacked the "two-faced faction" and the "fence-sitting faction." "There is no question that we must not let those 'royals' who 'speak good words but commit foul deeds,' the likes of the two-faced faction and the fence-sitting faction, get mixed in with our cadre ranks."

The emergence of the Huang Puping essays were seen as bringing the political struggle and conflict over policy direction and power between the North and the South into the open and as a "Northern Expedition" of the economic reform faction from Shanghai to attack Beijing.

According to those who know, Deng Xiaoping's children were always players in the action, whether it was the appearance of the "Huang Puping" essays or the promotion of Zhu Rongji, including Deng Xiaoping's southern inspection tour in 1992. In the issues of the "Huang Puping" essays and Zhu Rongji's promotion, Deng Xiaoping's second daughter, currently State Science and Technology Commission Deputy Chairman, Deng Nan played a key role.

The Influence of Deng Nan

In the Spring of 1990, Deng Xiaoping took advantage of spending the winter in Shanghai to observe Zhu Rongji. Deng Nan not only accompanied her father but also did the planning. According to a friend close to Deng Nan, when Deng Nan recommended Zhu Rongji to her father she said, "Zhu has a good image abroad, and he could be used to clear up the stagnated international atmosphere. In addition, Zhu Rongji has a very proper working style. His work is attractive, and he has a can-do spirit."

During the twenty days Deng spent in Shanghai that winter, he met with Zhu Rongji many times to ask for Zhu Rongji's views on the development of Pudong and other issues. Of course, the crafty old strategist Deng Xiaoping did not reveal his thinking. He did not "reveal all" to Zhu Rongji or even mention promoting him.

As a person no less astute than Deng Xiaoping, Zhu Rongji must have sensed at that time that his future lay in the hands of Deng Xiaoping's good graces. Particularly when, after asking his views on the national economic situation and rectification policies, Deng suddenly asked him, "How many years do you have left in your tour of duty in Shanghai?" This gave Zhu Rongji an even clearer understanding of Deng Xiaoping's intentions.

A Shanghai journalist once noted an episode at a banquet. Deng Nan suddenly spoke rashly, "This time we have come to see Zhu Rongji." A quick-witted person immediately followed her remark with the question, "Will Zhu Rongji Be Promoted?"

Deng Nan paused for a moment then immediately laughed. She looked to both sides and then said, "My father says Zhu Rongji's personality is a bit like Li Ruihuan's."

Li Ruihuan, who began his career as a carpenter, had earned Deng Xiaoping's favor by performing well as Mayor of Tianjin, and by projecting an image of being close to the people and enlightened in his politics, and by gaining the appreciation of both the common people and the intellectuals. Since Second Princess Deng was comparing Zhu Rongji to Li Ruihuan, Zhu's time for glory could not be far away.

This writer was present at that scene. After listening, I gathered my courage and asked, "Then do you think that Zhu Rongji will become a Vice Premier at this National People's Congress." Deng Nan looked at me and then used a diplomat's phrase, "Our conversation is completely a casual chat. On sensitive personnel matters like that, you can only ask God. I have no comment."

Subsequently, the Second Princess with the frank personality added these comments, "My father says that Zhu Rongji can only be a number one, not a number two. Zhu Rongji's personality makes it easy for him to offend others. When he was at the State Economic Commission, he was a Vice Chairman. His relations with his colleagues were not good. But as Mayor of Shanghai, he has done a great job."

Although Deng Nan emphasized several times that her remarks were just "jokes," it turned out that over one year later, Zhu did get promoted and transferred to Beijing, although temporarily as a deputy, to serve as Vice Premier.

CHAPTER X: From a Pawn of Reform to Core of Level of Power

[15 Oct 93 p 3]

[Text] Deng Xiaoping's Counterattack Against the Conservatives

After Deng Xiaoping's inspection tour of the South, the conservative faction in Beijing was still putting up a desperate struggle. At the same time, Deng Xiaoping mentioned the names of Jiang Zemin and Li Peng in Wuhan, the first stop on his Southern tour, and asked Hubei Party Secretary Guan Guangfu and Hubei Governor Guo Shuyan to tell those two that "whoever opposed the line of the 13th Party Congress would fall from power." Therefore those two continued to mull over this for some time without taking a clear position on Deng Xiaoping's Southern tour speeches.

Deng Xiaoping noticed that Jiang and Li were still "not letting the tears flow until seeing the coffin" [refused to be convinced until faced with the grim reality] and he shifted from a "verbal attack" to a "military defense." At the National People's Congress meeting in March of 1992, Yang Baibing, representing the Chinese Communist military, openly took the position of acting as the "protective escort" for reform and opening. The situation then took a quick turn.

First Li Peng threw things into confusion by writing a letter of loyalty to Deng Xiaoping saying that he wanted to be a "pawn" of reform and opening and declaring that he would go wherever Deng Xiaoping pointed. Subsequently, Jiang Zemin had Qiao Shi arrange an opportunity for him to speak at the party school so that he could openly declare his position in support of Deng Xiaoping's Southern Tour speeches and vow to "guard against leftism."

Therefore, until June 1992, Jiang and Li at least did not dare to make Zhu Rongji wear small shoes. [harass him] Zhu Rongji's prospects of entering the Politburo Standing Committee thus increased greatly. However, because Jiang and Li had had their sails trimmed and did not dare continue to hold fast to "principles," Zhu Rongji's chances of immediately becoming Premier at the First Meeting of the Ninth National People's Congress were also diminished.

Li Peng Retreats To Advance

The occurrence of the "June 4" incident seems to have changed the original personnel plan of the Chinese Communist top echelon. Jiang Zemin, like a black horse, suddenly became the highest Chinese Communist leader in name. Zhu Rongji remained in Shanghai, but with both Party and government power in his hands alone, became a feudal lord in name as well as in fact. But rumors of his entering Beijing were still widespread.

In the Spring of 1990, Deng Xiaoping examined Zhu Rongji again in Shanghai. Deng discovered that although Zhu Rongji was physically in Shanghai, he actually had a good understanding of the economic situation in the whole country. What pleased him the most was that even though Zhu Rongji did not carry a notebook in his hand, he could still recite many statistics.

On the first day of the lunar year, the Shanghai party committee and the Shanghai municipal government held a Spring Festival party. Zhu Rongji accompanied Yang Shangkun in the audience and Huang Ju, "representing the Shanghai Chinese Communist Party Committee and the Shanghai Municipal Government, wished all comrades present a Happy New Year." The participants at the party were all Shanghai cadres at the bureau or department level or above. They immediately began discussing: "Is Zhu Rongji going to Beijing?" One cadre asked Zhu Rongji's secretary directly. Zhu Rongji's secretary smiled mysteriously and gave no answer.

However, when Deng Xiaoping had just returned to Beijing, he read a letter from Li Peng to the Politburo. The general meaning of the letter was: When the party and the country asked me to make a contribution last May, I stood up. Now if the party and the country have weighed the advantages and disadvantages and need me to withdraw, then I am willing to withdraw. I was trained as a technical cadre and lack the ability to manage state administrative affairs. Thus, my basic desire is to return to my technical work.

Writer Xu Qinye thinks that these "sincere words" clearly were a challenge from the gang of old men including Chen Yun and Li Xiannian to Deng Xiaoping's over emphasis on Shanghai and restraining of Li Peng. At that time, mainland China had still not come out from under the shadows cast by "June 4." No matter how great Deng Xiaoping's charisma, he did not dare rub salt on wounds still bleeding. Thus, Deng Xiaoping wrote the famous phrase, "It is better to be calm than to move" as his comment on the letter and thereby steadied the mood of the old men.

Three days after Deng Xiaoping wrote this comment, Zhu Rongji formally announced at a large meeting of the Shanghai party committee, "These theories lately about my going to Beijing as Vice Premier are completely without basis. Do you think that I could leave when Comrade Xiaoping has just approved our plans to develop Pudong and the work has not even begun? How could I face the people of Shanghai?"

At the same time, Shanghai Municipal Government Advisor Wang Daohan spread this view in the overseas media, "The work in Shanghai is so important. How could Zhu Rongji suddenly leave?"

In February 1991, however, when Deng Xiaoping went to Shanghai for the Spring Festival again, he clarified for Zhu Rongji his plans to transfer him to work in the State Council. At the same time, Deng Xiaoping also asked Yang Shangkun to call a meeting of a group of leaders from the Shanghai party committee and the Shanghai municipal government to pass the message to them on the "Central Committee decision" about Zhu Rongji's imminent promotion.

CHAPTER X [continued]

[16 Oct 93 p 2]

[Text] Going To Serve as Vice Premier

It is said that when Deng Xiaoping decided to formally promote Zhu Rongji to serve as Vice Premier, Yao Yilin then complained at a meeting of the Politburo, "How can people work with a new command every day like this?" When Deng Xiaoping heard this, he reacted in anger, "If you can't do the job, then don't do it. Withdraw and let some other comrades do it!"

At the Fourth Meeting of the Seventh People's Congress on April 12, 1991, Zhu Rongji was formally designated a Vice Premier.

At that time, Zhu Rongji was leading a Shanghai Municipal Government delegation to The Netherlands and other industrialized nations in Western Europe.

A foreign journalist once asked Zhu Rongji "What was your greatest failure when you were in Shanghai?" His response was so confident and frank, "There were none."

On April 26, Zhu Rongji concluded his visit to Europe and went directly to Beijing to report to the State Council. Before he had a chance to participate in a working meeting of the State Council, he received a message that Chen Yun was waiting for him in Shanghai. On the evening of the 27th, Zhu Rongji flew to Shanghai. The next day he hurried to the No. 2 Wing of the Xijiao Guest House where Chen Yun was staying for a private meeting with Chen Yun.

In their conversation, Chen Yun said that he had heard long ago from relevant comrades about Zhu Rongji's situation. Thus, when discussing the selection of a State Council Vice Premier with Deng Xiaoping, "Without any arrangement in advance, our talks turned to you." Afterward, he stated his approval again of Zhu's work in Shanghai.

After the private discussion, Chen Yun ordered his secretary to ask the new Shanghai Party Secretary Wu Bangguo and the Shanghai Vice Mayor Huang Ju, who had been waiting outside, to come in. He gave each of the three a 15 character scroll with the maxim, "Do not rely solely on your superiors; do not rely solely on books; rely solely on facts."

Chen Yun Takes Zhu Back to Beijing in a Private Plane

Chen Yun indicated clearly that the "15 character maxim" of his was directed at the lessons learned in ten years of reform.

Normally, when Chen Yun visited Shanghai several times each year, it was not made public. But this time Chen Yun's office notified the New China News Agency to come to the airport and then publish the news and photos throughout the country.

On April 30, Chen Yun invited Zhu Rongji to join him on his private plane back to Beijing. It is impossible for outsiders to know what exchanges took place during this time. But the news immediately spread in Beijing that Zhu Rongji was the "successor" approved by both Deng Xiaoping and Chen Yun. If not, why would Chen Yun personally go get Zhu Rongji in a private plane?

Whether Zhu Rongji is just favored by Deng Xiaoping or by both Deng Xiaoping and Chen Yun, he at least would not dare offend Chen Yun. This is a prerequisite for Zhu to solidify his position.

After Zhu Rongji came to Beijing, he discovered that the personnel and positions in the State Council were already all sewn up. There was no role for him to settle in to.

After Zou Jiahua became a Vice Premier, he retained his original assignment in charge of the State Planning Commission.

The other members of the State Council involved with the economy and production were all under the supervision of Yao Yilin and Tian Jiyun. Thus, Zhu Rongji had nothing to supervise. He had the exalted rank of Vice Premier of the State Council, but he did not dare casually issue orders to the Ministers of the State Council. As a person who had worked for a long time within the State Council system, Zhu Rongji knew very well that each of Ministers and Chairmen in the State Council had backers. If one carelessly offended someone, one might even step on that person's "connections" and break into his "network." Then one would have to suffer the consequences.

And Yao Yilin, who in the past had often been hospitalized with illness, was unusually active during this period, indicating that "he could still do it." Thus, Zhu Rongji waited at home for over a week with nothing happening. No one arranged any work for him.

First Entry Into Zhongnan Hai

After Deng Xiaoping found out, he sought out Bo Yibo to discuss this. "When a young comrade wants to work, we should support him. Why should we always have to whisper about? When the Central Committee has already decided something, no one should make irresponsible remarks about it but just let the person work. Please tell Zhu Rongji not to just stay still in Beijing but get out and move around to see what is happening. Only then will he gain in knowledge. Investigative work is very important. The path has to sought out by people; there is no model. I think that any one who wants to draw conclusions on the ten years must first draw conclusions on this."

Bo Yibo passed this message to Wang Zhen, Peng Zhen, Yao Yilin, and Li Xiannian in separate conversations. Thus the dark cloud overshadowing Zhu Rongji was temporarily dispersed.

Deng Xiaoping also had Yang Shangkun tell Li Peng, "We should arrange some work for Zhu Rongji as soon as possible." Thus Li Peng only then met with Zhu Rongji on 13 May and asked him to assist with oversight of the work of the industrial and transportation ministries.

On 13 June, the State Council issued a document giving Zhu Rongji several joint assignments including Chairman of the State Council's Leading Group to Eradicate "Triangular Debt," Director of the State Council Production Office, Director of the National

Commission on Production Safety, and Chairman of the Leading Group over the "Quality Products, Efficiency Year" activity.

But not all of these units are permanent organizations. Some State Council cadres at that time made sarcastic jokes about Zhu Rongji: If he thinks that's not enough, we can also arrange for him to be Chairman of the Committee for the Prevention and Control of AIDS.

Of the several assignments given to Zhu Rongji, the "Director of the Production Office" was one with relatively greater power. It was this Production Office which later became the Economics and Trade Office and then the State Economic and Trade Commission. This established a foothold for Zhu Rongji's later expansion of power within the State Council.

In June of 1991, another important position held by Zhu Rongji, in addition to his position as Director of the Production Office, was Chairman of the Leading Group to Eradicate "Triangular Debt." So-called "triangular debt" referred to 'A' owing money to 'B,' 'B' owing money to 'C,' and 'C' owing money to 'A.'

But the basic nature of the Chinese commercial phenomenon of triangular debt is not simply a commercial phenomenon but an external manifestation of defects in the economic structure. For this reason, it was extremely difficult to resolve.

The Difficult Untangling of the "Triangular Debt" Knot

In 1988, Li Peng personally took charge of the "triangular debt" problem. He emphasized systematization and unification and wanted to concentrate all large industrial and mining enterprises, key projects, and important products in a central plan, with "one game board for the whole country." The result was he could find no way out.

As of September 1990, the "triangular debt" among various enterprises in the mainland had accumulated to 300 billion yuan, of which 80 percent was owed by the nation's 800 large-scale state-owned enterprises.

Most people thought that by assigning Zhu Rongji with the specific responsibility of eradicating the "triangular debt," Li Peng and the conservative faction were giving Zhu Rongji a tough problem. But it was just this difficult problem which gave Zhu Rongji an opportunity to demonstrate his talent and ability.

Zhu Rongji first organized a group of specialists and enterprise administrative management staff to convene a special meeting on the eradication of "triangular debt" to find the root problems behind the general difficulty of "triangular debt": First, serious lack of investment in basic infrastructure and technical reform projects. Second, the serious problem in large-scale state-owned enterprises is the result of losses which weaken the enterprises' ability to make payments, thus creating large amounts of indebtedness. Third, the warehousing of 80

billion yuan of products above normal levels by production enterprises at the county level and above and an even more serious situation among village and township enterprises. Because the products cannot reach the final consumer, the commodities cannot be exchanged for currency. The enterprises then have no money to buy fuel and raw materials. In order to continue production, they have to borrow money to make ends meet. At the same time, the commodity exchange system in each place is chaotic, with loose record keeping of transactions, and little understanding of credit. This also is a major cause of "triangular debt."

After taking the pulse to discover the fundamental cause of this illness, Zhu Rongji's view was that the creation of "triangular debt" was the result of the long-term action of many factors. It was also the concentrated manifestation of conflicts at many levels within the functioning of the Chinese economy. Only by taking control of these major conflicts could a breakthrough be achieved in the eradication of "triangular debt" and through this breakthrough, the production system and finance order could be rectified. Only then could the large-scale state-owned enterprises by revived.

CHAPTER X [continued]

[17 Oct 93 p 3]

[Text] Three days after the meeting, Zhu Rongji visited the heavy industrial districts of Liaoning, Jilin, and Heilongjiang, the three provinces with the greatest "triangular debt" problems. Using pilot projects, Zhu presented a set of measures which would cure the symptoms as well as the root of the problem by injecting funds, arranging for shipment of bottlenecked goods, making structural adjustments, getting a firm grip on sources, and clearing debt in a circular fashion. Thus the channels for the circular flow of funds were cleared and the chain of debt was broken.

His clear and strict measures quickly achieved success. In only 26 days, just the fixed asset investment projects alone in the three provinces of the northeast cleared 12.5 billion yuan in debt.

Zhu Rongji returned to Beijing carrying the echoes of praises. The next day, he convened a national meeting by telephone on the eradication of "triangular debt" and set up a new round of battle to "eradicate debt."

Zhu Rongji used long distance telephone calls, faxes, and telegrams to send a strict, all-encompassing "military order" to every local government in the country: "Every locality must report on the funding situation (bank loans, self-reliant gathering of funds, liquidating projects, etc.) for all fixed asset investment debt in your province (region, city) to the State Council Debt Liquidation Office by 20 September 1991, at 2100 hours. If this is not possible, the provincial governor, chairman of the semi-autonomous region government, or mayor must report the reasons directly to Vice Premier Zhu Rongji."

As of 15 May 1992, a total of 4,383 fixed asset projects in Mainland China had cleared debts by receiving one yuan in funds put in for every 3.5 yuan in debt cleared. A method had finally arrived to solve the "triangular debt" problem which Li Peng and Yao Yilin had discussed for several years without any progress.

After Zhu Rongji was transferred to Beijing from Shanghai, he resolved a series of difficult problems in China's economic development with lightening speed. For example, he achieved notable results in the eradication of "triangular debt," the attack on counterfeit and inferior products, the raising of product quality, breaking the "three irons" (iron rice bowl, iron chair [leadership positions], and iron wages), and emphasizing economic efficiency. This not only gained him the praises of Deng Xiaoping but also the appreciation of the people.

In mid-August of 1991, Deng Xiaoping praised Zhu Rongji to members of the politburo standing committee at Beidaihe. He said, "Zhu Rongji's work in local government was outstanding. After coming to the central government, his thinking has been broad-minded. He is not afraid of difficult problems and he can be successful."

On the international scene, Zhu Rongji's can-do, enlightened image is becoming more and more respected. He is assessed as "China's most capable official in administrative management." Even those people overseas who criticize and oppose the Chinese Communist regime recognize Zhu Rongji as an exception among the top echelon of Chinese Communist leaders.

After Deng Xiaoping's southern tour, a new wave of reform was whipped up. Some newspapers which supported Zhu Rongji published many articles about him to raise support for his promotion. To promote his image as a person close to the people, the WENCUI weekly paper from Zhu Rongji's hometown in Hunan published some little stories about him to show this aspect of him.

On the morning of 10 July 1992, Zhu Rongji was inspecting the ten mines of the Pingdingshan Mining Bureau. At a "miner's house," he was chatting about everyday affairs with some miners. At first, the miners were a bit restrained. Zhu Rongji asked in a concerned way, "In the past it was difficult for our miners to find wives. Is it still difficult?" He then asked the young miners standing next to him whether they were married.

Because there were too many people, there was not enough time to ask them each one at a time. Zhu Rongji suddenly raised his voice and asked, "Let all who are married raise their hands!" As he said this, he raised his own hand.

When the talk turned to the shortage of housing for miners, he encouraged everyone to work hard at production, "Our lives will get better every day!"

In addition, publications like "Guide to Family Life" published articles to publicize Zhu Rongji's personality.

The magazine reports said that when Zhu Rongji was Vice Chairman of the State Economic Commission, a division director mistakenly reported to the State Council that Zhu Rongji had made an error which he should answer for. What no one expected was that not long afterward, Zhu Rongji promoted this cadre to a Deputy Bureau Director position. Zhu Rongji explained this by saying that this cadre is a responsible worker. He was not afraid to report me. Even though his report was wrong, he did this to further the work, and this should not interfere with giving him responsibility.

The Central Television Station and the NEW CHINA NEWS AGENCY also reported many of Zhu Rongji's activities, all to demonstrate how full Zhu's agenda was. At the 14th Chinese Communist National Party Congress in October 1992, Zhu Rongji was finally promoted three steps at once to join the core echelon of the Chinese Communist regime as one of the seven members of the Politburo Standing Committee.

However, in the elections for Politburo members, Zhu Rongji received only 287 votes and 15th place, with 10 or 20 votes less than Politburo Alternate members Wen Jiabao and Wang Hanbin. One significance of this is that Zhu Rongji's future career still has some difficulties and risks. [end of installment 17]

CHAPTER XI: Deng Xiaoping's Successor or Sacrificial Offering?

[18 Oct 93 p 2]

[Text] After Deng Xiaoping's call in his Southern Tour speeches in 1992 to "be bolder in reform and opening" and "let those places with the qualifications move ahead as quickly as possible," the economy of the mainland heated up rapidly. The situation developed to the point in early 93 when the red light of inflation finally turned on.

According to the statistics on the national economic development situation published by the State Statistical Bureau for the first half of 1993, the GNP for the first half of the year reached 1.2647 trillion yuan. Compared with comparable prices, this represented an increase of 13.9 percent over the same period of the previous year. Of this increase, the increase in completed industrial gross product during the first half of the year was 25.1 percent over the same period of the previous year. Industrial production had increased continuously at a rate of over 20 percent for the 12 months since July of the previous year.

In addition, the problems remaining included: the prominent conflicts from bottlenecks, very tight steel and electric power supplies, and particularly difficult situations in rail transport and prevalent funding shortages.

This interfered with the normal production and operation activities of enterprises. Commodity prices increased at a faster rate. The national resident cost of living index for the first half of 1993 increased by 12.5 percent over the same period of the previous year and that in the 35 largest cities increased by 17.4 percent.

The Difficult Problem of Inflation

Furthermore, the regulations and controls of the People's Bank of China, which acted as the central bank, were not effective. Thus many of the Chinese finance institutions became involved in economic activities such as real estate speculation and a large amount of funds were tied up. Credit which should have been extended was not extended in a normal fashion. There was a rash of chaotic accumulation of funds. All sectors had many complaints. In addition, due to ineffective management, some funding institutions became involved in malicious extortion cases, and there was an outcry in public opinion.

Another report by the State Statistical Bureau showed that as of the end of May 1993, the amount of renminbi notes printed was 150 billion yuan over the original plan. The fear of inflation among the common people of the mainland was becoming more and more serious.

At the same time, due the accumulated long-term effect of various bad policies in agriculture, the peasants everywhere were complaining. There were many incidents of officials driving people to rebel. Many state-owned enterprises had large amounts of debt, to the extent that one third of all mid and large-sized state-owned enterprises were openly in the red and another third were secretly in the red. A series of strikes and sit-downs by mine workers, forestry workers and others who did not receive their wages occurred in over half of the provinces...

In facing an economic situation this fraught with risk, Li Peng, who had just risen to the position of State Council Premier at the Eighth National People's Congress only a few days before, suddenly claimed illness. At first it was called a "serious flu." Later it was admitted that it was "heart disease" and the Ministry of Foreign Affairs spokesperson revealed that Li would probably have to convalesce until around October of that year.

In this fashion, all of the burden of the State Council work fell on the shoulders of Zhu Rongji alone. On the surface, Zhu Rongji appeared to have absolute power as he began the "Zhu Rongji era" of the State Council, with Li Peng holding the empty title of Premier. But the great risk which this carried with it caused those with great hopes for Zhu Rongji to be anxious for him.

After Li Peng had convalesced for as long as two months, the Chinese Communist regime finally, with false candor, ordered the Ministry of Foreign Affairs spokesperson to release a "late-arriving news" bulletin admitting that Li Peng was suffering from heart disease. At the

same time, he indicated that Li Peng still needed to continue resting for a period and thus could not yet return to full-time work.

Using Illness To Avoid Economic Risks

Li Peng currently maintains an appropriate profile to the outside world to prove that he is still in his position as the prime minister of the country. At the same time, he uses the pretext of his "illness still needs a period of time to stabilize and his body still needs a period of convalescence" to decline active participation in the concrete work of the State Council. The only explanation is that his real reason for his current claim of illness is to allow Zhu Rongji to shoulder all the risks and experience all the difficulties and weariness at this most crucial and also most dangerous moment in economic reform.

Although Deng Xiaoping maintained Li Peng's title of Premier at the 14th National Party Congress and at the Eighth National People's Congress and Zhu Rongji, whom Deng Xiaoping really appears to favor did not achieve the highest leadership office, but if one takes a bit longer view, it can be seen clearly that there are many advantages and few disadvantages in having Zhu Rongji conduct the actual work without the exalted title during this period of greatest risk in economic reform as the planned economy turns down the path toward a market economy.

When Li Peng had just become ill in late April of 1993, he really felt impatient as one who "sent out troops but fell ill before achieving victory." But as time passed, he lay there in the hospital and quietly observed the process of Zhu Rongji's hard labor. At the same time, he did not reject his family and advisors who analyzed the mainland economic situation for him as well as the advantages and disadvantages to him of returning to work right away in the current situation.

Li Peng affirmed that now he had a new strategy to handle his political adversary Zhu Rongji which involved using feigned illness to convalesce slowly.

Li Peng's Illness Changes With the Economy

Therefore, in consideration only of his health and life expectancy, Li Peng naturally would be expected to withdraw in melancholy with his heart disease, but in consideration of his future political career, Li Peng probably now understands the rationale of "Sai Weng loses a horse" [a silver lining to every cloud].

From now on, if economic reform creates another great social crisis in China and Deng Xiaoping is forced to adjust his policies, then Li Peng will have every reason to say that all the problems arose while he was ill and not involved in government.

According to this view, Li Peng can explain "with complete assurance" that all the policies of the State Council have to be formulated by Zhu Rongji and the

concrete tasks carried out by Zhu Rongji alone. If Zhu Rongji doesn't do it, then who will?

Therefore, it is a very clever move for Li Peng to feign illness and not involve himself in government but retain his title as Premier at the same time without even issuing a document naming an "acting Premier."

On 2 July 1993, the National People's Congress Standing Committee announced to the public that Li Guixian would retain his title in the State Council Committee but would give up his simultaneous assignment as Governor of the People's Bank of China and that Zhu Rongji would personally add the title of Governor of the People's Bank of China to his assignments.

After the news of Li Guixian's removal spread, commentators overseas expressed widespread approval.

But from another angle, it can be seen that the extremely rapid economic reform policies in the mainland have reached a very dangerous point. And at this time, Li Peng first claims illness and then lets Zhu Rongji become Governor of the People's Bank of China, the most difficult and least sought after title among the organizations in the State Council. Are these two sudden events advantageous to the reform faction among the Chinese Communists or the opposite?

Chapter XI [continued]

[19 Oct 93 p 10]

[Text] Li Guixian's Resignation Conceals Malicious Intent

Li Guixian's sudden resignation did not include resigning his position as member of the State Council, a position which gave him no real power but did give him an administrative rank and a political position. What were the true motivations behind this method of resignation?

Most commentators thought that the Chinese Communist Politburo decided to relieve Li Guixian of his position either because he was inadequate in his work or because he had committed an error. But according to internal sources, Li Guixian resigned of his own accord. Furthermore, the main reason for his voluntary resignation was to challenge Zhu Rongji. He wanted to seek some leisure on the one hand and, on the other, wait for Zhu Rongji to become a joke.

At a work review meeting of the State Council, Zhu Rongji, as leader of the meeting, insulted Li Guixian in front of everyone, saying "Do you understand what the stock market is all about? As the State Council leader in charge of finance and currency, how can it be possible for you to willingly be an 'outsider' on this?" After Li Guixian bore this sarcastic attack, he was about to turn very hostile. If not for the exhortations of others, he would have left the scene in a huff.

After this incident, although Zhu Rongji made a special visit to Li Guixian to apologize, Li Guixian never got over it. He went to Jiang Zemin and then Li Peng and other members of the Politburo Standing Committee to state his complaint to each of them. Because of this, even Liu Huaqing who never delves into non-military matters advised Zhu Rongji to "be skilled at creating unity among most of the cadres."

After Li Guixian stepped down, some reports said that Li Guixian was Li Peng's schoolmate in the Soviet Union and therefore this was a blow to Li Peng. The assumptions underlying these reports were incorrect. Therefore the conclusions reached were off the mark.

First, Li Guixian was not Li Peng's schoolmate in the Soviet Union. Li Guixian did study in the Soviet Union but that was after 1960. Li Peng studied in the Soviet Union earlier, in 1948. By calculating it, one can see that Li Peng studied in the Soviet Union a full 12 years earlier than Li Guixian did. In addition, Li Guixian studied in the Soviet Union at the Moscow School of Chemical Engineering and Li Peng studied in the Soviet Union at the Moscow School of Power. Therefore, regardless of how one tries to pull together a relationship between them, one cannot say that they were schoolmates.

In addition, Li Peng was not necessarily in a "depressed" mood over Li Guixian's resignation of his "actual authority" as Governor of the People's Bank of China. Li Guixian's resignation may even have been Li Peng's original suggestion.

Advantages and Disadvantages Difficult To Distinguish

For the next period of time, almost all of the various unhealthy economic symptoms caused by the rapid, coerced reform policies of the Chinese Communists can be categorized under the issue of finance. Now that the entire field of finance has been set on Zhu Rongji's shoulders, if he doesn't take action it won't be right, and if he does take action it won't be right. This is Li Guixian's real motivation, to wait for Zhu Rongji to become a joke.

After repeated debates and discussions among experts, Zhu Rongji put forth a complete plan to resolve inflation in the mainland, entitled "16 Measures To Rectify the Economy."

Giving Responsibility to Chen Yuan To Please Chen Yun

At the same time that the "16 Measures" were brought out, Zhu Rongji personally took over the title of Governor of the People's Bank of China and conducted a major blood letting in the personnel there. He brought in his close associate Zhu Xiaohua as a Deputy Governor and kept Chen Yun's son Chen Yuan in his position as a Deputy Governor but because of the reorganization of the central bank, Chen Yuan moved up from fourth Deputy to second Deputy.

In addition, the new Deputy Governors also included someone who attracted even more attention, Yao Yilin's son-in-law, Wang Qishan. The China Reconstruction Bank is only a second grade bank under the leadership of the People's Bank of China and the regulation on its leadership cadres stipulates that the Deputy Governor of the Bank is only of Department Director rank. The Deputy Governor of the People's Bank of China, however, is a vice ministerial level position. Therefore, Wang Qishan was thus promoted by one level.

Actually, after Zhu Rongji became Governor of the Central Bank, the persons who researched and drafted the comprehensive policies for finance reform in the mainland happened to be Chen Yuan and Wang Qishan. Perhaps this was because they shared similar views on strengthening macroeconomic regulation and control measures as well as on theory. Or, from another aspect, perhaps it was because Zhu Rongji's political strategy was to make full use of Chen Yuan and Wang Qishan as chips to curry favor with their old men and decrease political risk.

Li Peng, whose throne as Premier was threatened by the era of Zhu Rongji, was waiting always for Zhu Rongji to commit a harmful oversight in his work directing the State Council. He was also waiting for some of the political old guard in the party to lose faith and patience with Zhu Rongji.

However, Zhu Rongji first excelled at comprehensive work. He firmly grasped resolute measures to prevent inflation and avoid economic collapse and the political upheaval which that would bring. He adopted a view supportive of rational treatment for specific measures to deal with the social turmoil which could be created by economic problems, with all efforts towards peaceful measures. At the same time, in arranging personnel matters, he adopted moves which Chen Yun's faction of the political old guard could not object to. This really was a case of "the monster is one foot tall but the Taoist is one yard tall."

Whether Li Peng would concede to Zhu Rongji's determination in his substantive or his cleverness in politics, he would have to admit that if the measures to strengthen macroeconomic regulation and control which had already been introduced can be relatively smoothly implemented, it will be very difficult to topple Zhu Rongji in the near future. [end of installment 19]

CHAPTER XII: On the Path To Becoming Premier

[20 Oct 93 p 2]

[Text] After Zhu Rongji entered the Politburo Standing Committee at the First Plenum of the 14th National Party Congress Central Committee, his first outstanding political demonstration was when Britain released its "bombshell" on the constitution proposal for Hong Kong on 17 November 1992.

He rebuked them by saying, "Will the communique between Britain and China still be adhered to? Is the mutual understanding between China and the United Kingdom 'just blown away'? This is an important issue of principle. On issues of principle, the government and the people of China absolutely will not be vague. Do not assume that resistance will force us to yield on issues of principle. No one should make incorrect predictions on this."

According to reports, after the Hong Kong Stock Exchange opened on the 17th, the Hang Seng index dropped precipitously due to Zhu Rongji's "cannon fire," breaking through the 6200 and then the 6100 benchmarks and finally closing at 6008 points. It fell 206 points, the largest drop since 1992, and at the lowest actually dropped 250 points.

Prominent Hong Kong columnist Ding Wang said in his article: the draft constitution "proposal" would expand the limited democracy which would not only be advantageous for the stability and prosperity of Hong Kong and the "democratic participation" of the people during the transition period but would also form a basis for the establishment of "one country, two systems" and "Hong Kong people govern Hong Kong" in the future. It would also be valuable as a model for Mainland China after a market economy is implemented. If "the old Buddha" (referring to Deng Xiaoping) and the leaders in Beijing have generous hearts and allow us to implement a very moderate democratic political reform, Hong Kong will definitely not cause instability or turmoil.

It can be said that this editorial by Ding Wang represented the viewpoint of the democratic faction in Hong Kong. Although Zhu Rongji's "just and solemn statement" on Britain may not have been his own true views, anyone who is on the stage during this type of event will naturally draw condemnation. It is by this same reasoning that it was Li Peng and not Deng Xiaoping who inspired the most hatred after shots were fired on "June 4."

According to this line of thinking, Zhu Rongji's first political act after entering the Politburo caused the democratic faction in Hong Kong some disappointment. From now on, this will decrease the number of commentaries in Hong Kong calling Zhu Rongji China's Gorbachev or Yeltsin.

Will He "Send Out His Troops But Die Before Achieving Victory?"

If one carefully examines Zhu Rongji's history from the time he became Mayor of Shanghai until today, by carefully observing each of his actions, one cannot help but believe that this person has a very powerful political ambition and at the same time is also a very capable and talented Chinese Communist leader. One also has to admit that he is a very responsible Chinese Communist leader.

After Zhu Rongji came to the State Council as Vice Premier, he immediately began a series of activities to visit and inspect places throughout the country. After two and a half years, he has left his footprints in almost every provincial-level administrative regional unit.

In the three eastern [northeastern] provinces, he spent day and night listening to reports, reading reports, and discussing policies to resolve the "triangular debt" problem, one of the greatest stumbling blocks interfering with economic reform at the time. In Hubei, he put on workmen's clothes and accompanied local cadres, dripping with sweat, to pay condolence calls on local peasants and workers suffering disasters caused by severe thunderstorms.

In Sichuan, after he heard about the protest of peasants who had received "IOU's," he scathingly denounced the local bureaucrats who had savagely oppressed the villagers as lacking in party nature and even lacking human nature.

In Shanxi, he saw the piles of overstocked coal which had been left sitting in the open air for so many years, due to the shortage of rail transport, that it had weathered and combusted spontaneously. He said with incomparable heartache, do you know that there are countless enterprises in eastern China and other regions lacking in coal which have had to limit or cease production due to shortages of energy? As he said this, Zhu Rongji's face was covered with tears. Every one of the cadres and workers at the scene was deeply moved.

At every place he visited, Zhu always used simple transportation arrangements and did not allow any banquets. When local cadres gave him local specialties, he pulled a long face and asked them, "How much money do you earn every month? How could you afford to buy such an expensive thing? Therefore, you either used public funds to buy gifts or you are extorting from the people, and you have done this in vain."

The famous Dazhai village in Shanxi in the past was a model set up personally by Mao Zedong. After reform and opening, although the people of Dazhai did not have as many advantages as before, they still were proud of their "achievements." When Zhu Rongji visited here, he told the Branch Party Secretary Guo Fenglian without mincing words, in the past when a Vice Premier visited you, he might give you several 100,000 yuan or even several million yuan. Now I do not have even one yuan. I do not have that authority. You have to depend on yourselves and develop here with your own efforts. Models are not just set up but come out of hard work.

After inspecting many places, Zhu Rongji was deeply concerned about the economic situation in the whole country, especially the very threatening problems faced by medium- and large-sized state-owned enterprises.

When Zhu attended a Politburo meeting, he did not concern himself with the fact that at that time his party

position was only alternate member of the Central Committee. He called loudly and urgently for industrial enterprises owned by the people to shift to economic mechanisms. If the central government continues to hesitate on this issue and does not come up with a decisive policy, this foundation of the Republic will be ruined by the hands of our generation of leaders.

Although some people think Zhu Rongji's expressions were excessively dramatic, Deng Xiaoping, after inspecting Capitol Steel, approved very much of Zhu Rongji's view.

With the strong support of Deng Xiaoping, Zhu Rongji decided to bring out "Rules on the Shift to Economic Mechanisms for Industrial Enterprises Owned by the Whole People" before the 14th National Party Congress of the Chinese Communist Party. According to Zhu Rongji's way of thinking, the formulation of these rules would imply that many oversight organs, from local governments up to the central government, would lose significant portions of their authority, to the point that some organs would no longer need to exist.

In order to convince the old bureaucrats who saw relinquishing any authority as a tremendous loss, Zhu Rongji had to convene 14 meetings to go over and over the implementing details of the rules. In July 1992, Zhu Rongji finally achieved his wish. But one cannot know how many cadres in the State Council ministries Zhu Rongji offended to get these rules.

There was one State Council official who visited the West at the end of 1991 and at the end of 1992 and expressed two totally different views when Zhu Rongji was discussed there. At the end of 1991, he said Zhu Rongji had an "unlimited future, with his skill it will happen naturally." At the end of 1992, he said that Zhu Rongji "only knows how to curse others but not how to 'play with' others and sooner or later will meet his downfall."

Therefore, Zhu Rongji in his heart probably really wants to do well for China but the price he has paid is losing the "hearts" of many bureaucrats in the State Council system and in local government.

Some people have concluded that the Communist Party has used a "negative sifting method" [keeping many and rejecting few] to select talent for the past 40 years which has created a vast bureaucratic system. The day Zhu Rongji entered the State Council was as if he fell into a minefield with absolutely no pattern to the burial of the mines. Therefore, even if he hopes to become "China's Gorbachev" one day, he may become like Hu Yaobang and Zhao Ziyang and "send his troops to battle but die before achieving victory."

CHAPTER XII [continued]

[21 Oct 93 p 3]

[Text] Not 'Traveling on the Same Road' as Jiang Zemin

After Zhu Rongji offended too many State Council and local government cadres, an undercurrent of "bring down Zhu" appeared several times. This is the first great danger which Zhu faces in his career now and in the future. And the second great danger which Zhu Rongji faces is Jiang Zemin and Li Peng with whom he still has not achieved harmonious relations.

After Zhu Rongji entered the top Chinese Communist echelon, the analysis of many people was that this signified that the "Shanghai clique" was running the Chinese Communist regime. Actually this analysis stretches much too far. As early as when Jiang Zemin and Zhu Rongji were in charge of Shanghai together, one of their subordinates once used a popular mainland phrase to describe their relationship by saying Ah Zhu and Little Jiang "do not travel on the same road" [do not have the same philosophy].

Those who uphold this analysis base the theory of the "Shanghai clique" running the government on the fact that Jiang Zemin and Zhu Rongji once worked together in Shanghai. But if one uses this type of analysis, then the 14th Chinese Communist Politburo also has at least a Tianjin clique, because Li Ruihuan, Li Lanqing, and Tan Shaowen are all from Tianjin. And there can also be a Gansu clique, because Qiao Shi, Hu Jintao, Wen Jiabao, and also former Politburo Standing Committee member Song Ping have all worked in Gansu or are even from Gansu.

The difficulty in establishing a "Shanghai clique" is also that mutual cooperation between Zhu Rongji and Jiang Zemin in Shanghai was not such that they could have achieved any secret agreement. And the relationship between Zhu Rongji and Zou Jiahua during the elections for first Vice Premier were even more that of "there is not enough room on one mountain for two tigers."

Jiang Zemin and Zhu Rongji have many differences in individual temperament, personality, and work style. Even when the two of them were governing Shanghai, Zhu Rongji differed from Jiang Zemin's measures and methods in handling matters such as managing Shanghai's industrial production or cleaning up Shanghai's environment. This also did not please Jiang Zemin.

An official of the Shanghai Communist Party Committee says that as Zhu Rongji's influence as Mayor grew, it seemed as if he forgot that his position within the party was still clearly inferior to Jiang Zemin's, and Zhu stood up defiantly as an equal to him.

Every time the news of Jiang Zeming visiting the basic level of society reached the Municipal Government, Zhu Rongji would immediately go to the basic level also and would have articles and photos printed in the next day's paper just like Jiang Zemin. Because Zhu Rongji had a close relationship with the residents of the city, when he went to the basic level, many workers would fight to shake his hand or have a photo taken with him. The people welcomed him with applause but Jiang Zemin

never received this kind of treatment. Thus there was a clear difference in the descriptions printed in the news and Jiang Zemin was very unhappy when he saw this.

Virtues Shine on Troubles

After Li Peng became ill in April 1993 and Zhu Rongji took over all the State Council work, his exposure in the Chinese Communist press was naturally greater. Prior to this, the overseas press had always "promoted Zhu and restrained Jiang" in their reports tracking the Chinese Communist leadership, giving Jiang Zemin much consternation which he could not speak about. Thus there was no way that Jiang Zemin was going to let Zhu Rongji take the lead in the Chinese Communists' own press.

Jiang Zemin struggles with Zhu Rongji every moment. Therefore, even if Zhu Rongji is allowed to assume the throne of the prime minister as soon as possible, due to Li Peng's strategic withdrawal or long-term incurable illness, Jiang and Zhu will never become an "organization" like Jiang and Li. They are just like Zhao Ziyang and Li Peng used to be, fighting to the death.

The relationship between Li Peng and Zhu Rongji is even more subtle. Although Li Peng and Jiang Zemin both expressed "complete agreement with Comrade Xiaoping's arrangments" when Deng Xiaoping made decisions on leadership personnel at the 14th National Party Congress, this was just "the inchworm bends only seeking to extend itself again."

At the end of June in 1992, Deng Xiaoping and Chen Yun each brought forth a list of names to be added to the 14th Politburo Standing Committee. Deng Xiaoping's list was: Tian Jiyun, Liu Huaqing, and Li Tieying. Chen Yun's list only had Zou Jiahua and Liu Huaqing because at that time he still wanted Song Ping to retain his position. Then the pair began bargaining. From the compromise which they finally achieved, one can see not only the intensity of the conflict within the top echelon of the Chinese Communist Party but also the clever scheming of Deng Xiaoping.

Li Peng's Inner Thoughts

Actually, Chen Yun's proposal was also the proposal of Jiang Zemin and Li Peng.

At that time Jiang Zemin also wanted Song Ping to stay in his position. The reason Jiang Zemin wanted Song Ping to retain his position was that Qiao Shi and Li Ruihuan, who had to stay in their positions, never supported Jiang Zemin. Without the protection of Song Ping, Li's actual position within the Standing Committee would be even lower.

As for Li Peng, he was actually more fearful of Tian Jiyun entering the Standing Committee than of Zhu Rongji. This was because he understood very clearly that Tian Jiyun would complete two terms as Vice Premier in 1993. Based on his seniority, he could not become the President, Chairman of the National People's Political

Consultative Congress, or Chairman of the National People's Congress. He could only become Premier.

Due to this analysis, when Li Peng conducted discussions on personnel at the Politburo Standing Committee, he was not as concerned about others as he was about his main goal of doing all he could to prevent Tian Jiyun from entering the Standing Committee.

To achieve his goal of preventing Tian Jiyun from entering the Standing Committee, Li Peng first threw a fit at a Standing Committee meeting, accusing Tian of having an ambiguous attitude on the Party's Central Committee policies to suppress "June 4" and several other crimes. Then Li went to Wang Zhen, who had just come out of the hospital after an illness, to complain, saying that Tian Jiyun was always from the Zhao Ziyang line and absolutely must not be given important responsibility. [End of Installment 21]

CHAPTER XII: On the Path To Becoming Premier

[22 Oct 93 p 3]

[Text] Talent Which Really Can Shoulder Great Burdens

The case was brought up to Deng Xiaoping. Actually, Deng Xiaoping was mentally prepared for this but he appeared surprised that such a serious conflict had arisen.

Deng Xiaoping told Jiang Zemin, Yang Shangkun, and Bo Yibo, In the past I had hoped to make Zhu Rongji a Politburo member at the 14th Party Congress, because his Party position at the 13th Party Congress was only Alternate Member of the Central Committee. But now I am thinking that since so many people are opposed to allowing Tian Jiyun to directly enter the Politburo Standing Committee, then we can only let Zhu Rongji come up.

Some people say that a characteristic of Chinese Communist cadres is "When Wu Dalang [a character from a historical novel] opens a shop, the clerks cannot be taller that he is." Li Peng is like this. However, his premise is the same as that of Deng Xiaoping. Due to the mood created by "June 4," Li Peng has to submit to the old man's arrangements and allow Zhu Rongji who, regardless of his virtues or capability, is still half a head shorter than Li, to be jabbing at his side every day.

In the distribution of labor within the State Council before Li Peng's illness, Zhu Rongji was confirmed to "assist Li Peng in managing the comprehensive work of the State Council, serve as standing Vice Premier, and also oversee the work in government finance, finance, and trade."

Political observers believe that in this division of labor, Zhu Rongji actually supplanted Li Peng and became the

main coordinator of economic tasking. At the same time, he grasped the greatest power within the State Council, business and money.

As the reform in the mainland enters its current phase, economic and trade relations, government finance, and finance all hold a position of importance difficult to explain. Zhu Rongji has control over the State Economic and Trade Commission, the Ministry of Finance, and the Central Bank as well as other specialized banks and oversees the Stock and Bond Committee. He can command various ministries and commissions of the central government and, on the other hand, can "hold the emperor and order the dukes about in his name." This "emperor" is business and money.

The Danger of the Core of Power

Normally, the various factions within the leadership echelon of the Chinese Communist Party at times will join hands for a period of time to fight battles together for joint political advantage, such as guaranteeing that the dictatorship of the Communist Party is not overturned. But Zhu Rongji is such a completely opposite type of person from Li Peng in personality, work style and style of conducting himself in society that it is extremely difficult for them to cooperate with each other.

After the 14th National Party Congress, the group of leftist theorists who could help Li Peng in gathering public opinion were almost all annihilated. This of course eliminated one future trouble for Zhu Rongji. But Zhu Rongji's aggressive style and direct personality, with his way of never allowing others to save face, will continue to create new enemies for him.

For a long time, even those who agree with Zhu Rongji's philosophical point of view have not found it impossible to unite with Li Peng and others on the issue of opposing Zhu Rongji. Many people have already seen that Zhu Rongji will only be able to carry out his proposals if he becomes Premier. As Li Peng's deputy, it is quite possible that he will not be successful and Li Peng also will not do well. A person who worked for a long time in a Shanghai news unit and has a good understanding of Zhu Rongji says that of the seven members of the Politburo Standing Committee, Zhu Rongji has the most attractive reforms. But on this land of Mainland China, work ability and attractiveness have always correlated directly with political risk and the vicissitudes of officialdom. Although Zhu Rongji has stepped up into the core leadership level of the Chinese Communists, his future prospects are more inauspicious than auspicious.

On the morning of May 15 1993, Zhu Rongji was waiting at the East Gate of the Great Hall of the People in Beijing to hold a welcome ceremony on the square for New Zealand Prime Minister James Bolger. He cut a tall figure in an appropriate dark blue western suit and, as he

stood shoulder to shoulder with the imposing, hale and hearty Prime Minister Bolger, they made a good match.

After the military band played out the two national anthems, the Chinese Vice Premier accompanied the New Zealand Premier for a joint inspection of the honor guard of the People's Liberation Army, Navy and Air Force, all three branches, in the sound of a 19 gun military salute. At this time, Zhu Rongji looked well-trained, maintaining one half step distance from the honored guest throughout the entire time. When his eyes met the officers of the honor guard of the three service branches as they exchanged ceremonial salutes, he finally revealed an unusual smile.

Obvious Significance in Comparison

Perhaps at this time he was thinking of his 21st birthday when he was also on this square. With the status of a student then enrolled in Qinghua University, he had participated in the great ceremony of the Chinese Communist regime marking the birth of the country. At that time, he had hailed the birth of this regime with warm tears streaming from his eyes. Later, he joined the ranks of the ruling party of this regime with no turning back.

Who would have known that, after only eight years, he would have been labelled by this regime as a "most dangerous enemy" and sent down to the lowest level of society to experience over 20 years of physical hardship and emotional suffering. And now, as this regime, having experienced the leftist disaster and gone through all manner of hardship, and the Chinese Communist Party which founded this regime begin to face a time when complaints are welling up among the people, he has become, like a miracle, one of the heads of this regime and this party.

It is regrettable that, as of now, when he stands before the honor guard of the three military services he still has to emphasize to the guest that he is "serving as a representative of Li Peng."

It is hard to predict whether Zhu Rongji will be able to take over Li Peng's position in the near future and, to continue, whether he will become the "Chinese Gorbachev" awaited by the Western and overseas media. But, since Zhu Rongji entered the top Chinese Communist echelon, he has made contributions which all can see to the economic development of mainland China and the comprehensive movement from a planned economy to a market economy. And he is still working his heart out with unwavering determination on this effort.

From this angle, it is not that important whether Zhu Rongji will replace Li Peng soon or in the future. What is important is that his name and Li Peng's name, in moral character and ability, have already formed a stark, black-and-white contrast in the history of the People's Republic of China. (End of Book) (This Book was previously published by the TAIPEI NEW NEWS WEEKLY)

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